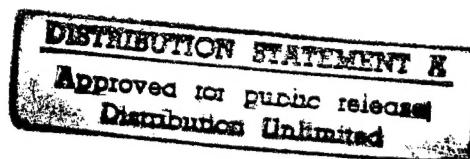




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Potential Obstacles to Czech-German Cooperation

91CH0898A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 4 Sep 91 p 14

[Article by Berthold Kohler: "The Treaty Is Not a Panacea—Reconciliation Between Czechs, Slovaks, and Germans Is Not Merely a Matter of a Piece of Paper"]

[Text] Prague, 3 Sep—The relationship between the Czechs, the Slovaks, and the Germans has become more difficult again. Whereas the three nationalities had come together after the Prague revolution of November 1989—while still residing in three states—in as open and uninhibited a manner as they had not since the years between the wars, the conversion of former manifestations of sympathy into an actual rapprochement is now becoming more difficult. The enthusiasm over the victory of democracy and justice over the (communist) "powers of darkness" has gone in both countries. The soberness of day-to-day interstate business is now confronting foreign policy visionaries with many a mantrap.

Multifarious political and economic difficulties have arisen which threaten to add a stale taste to the newly discovered old neighborliness in the heart of Europe. A powerful force is at work behind such recently occurring disagreements as, say, the dispute surrounding Prague's unfavorable balance of trade involving the former GDR: A common history, a complicated linkage of bilaterally inflicted misery, and mutual enrichment does not let either the governing or the governed on both sides out of its grasp.

Diplomatic Power Play

The protracted negotiations regarding a new neighborly relations treaty have become a serious burden upon relationships. Not until both sides undertook a diplomatic power play was this "long runner" brought to a conclusion, even though, apparently, at the "expense" of the Czechs. Prague had intended to use the agreement to draw a final line under the worst chapter in German-Czech relations; the specters of occupation and expulsion were to be dispelled once and for all. In return for Bonn's formally foregoing all indemnification claims by the expellees, the Czechoslovak side even offered not to insist on financial restitution for those atrocities committed by the Nazis after 1938 in Bohemia, Moravia, and Slovakia. However, the German Government—as is stated in the response—felt unable, for legal reasons, to proclaim such a renunciation. The Czechs and Slovaks felt that this was being done in consideration of the Sudeten Germans, who would have seen the measure demanded by Prague as being yet another injustice visited upon them. The fact that Prague has now given in and no longer insists on such a declaration's being contained in the treaty, has more to do, however, with consideration for other foreign policy goals than it does with the suddenly found understanding involving the "monkey wrenches" wielded by the expellees. Czechoslovakia needs Germany: as an advocate on the way into the European Community, as a helper with respect to

economic reforms, and as part of that western community of states from which the country expects appropriate contributions to political as well as military stability in central Europe.

With respect to all political imperatives, there is still too little understanding on both sides concerning what compelled the treaty partners to stick so persistently to their positions. Prague wanted the "bottom line" and wanted it soon, so as to be able to remove the nightmare topic of the "return of the Sudeten Germans" from the internal political firing line. Next June, there are to be parliamentary elections, and moderate politicians are afraid that extremist parties, primarily the Communists, could wave the anti-German banner so as to capture votes. Although this danger seems more slight than ever before, following the final disavowal of Leninism in the Soviet Union. The more than 40 years of anti-(West) German propaganda, to which the Czechs and Slovaks were subjected, has created fertile ground for resentments—ground which is weathering only slowly. Every day, the Ministry of Foreign Affairs receives half a dozen letters in which simple citizens warn against trusting the "terrible" Germans. In the territories formerly settled by Germans, there is, in part, open fear: The panic-like zeal with which references are made there to the fact that the Sudeten Germans had "deserved" to be "expelled," also permits the conjecture that a bad conscience is at work.

Regarding the question of restitution, the Czechs are not only concerned with money. It is also not a question of whether a few dozen, a few hundred, or perhaps even a few thousand expellees would wish to resettle in their devastated homeland: If the Czechs were opposed to this, then they would not have understood how the Europe of the future is to look—the Europe to which they feel attracted with such vehemence.

Forty Years of Propaganda

What is involved here, moreover, is a readiness to come to terms with the dark sides of their own history. The recognition of the legitimacy of compensation claims on the part of Prague, even the fact that this question is being held open, would also be tantamount to a confession of their own guilt. The moral responsibility to confess what occurred was the work of the courageous and enlightened President Havel. However, the repeatedly "turned" society, which has been traumatized by foreign rulers with equal frequency and which is insecure in its fundamental convictions, is not in a position to do so today. Mastery of the past barely occurred and barely occurs today in this state which has enough to do just to master day-to-day problems. Anyone who now complains about the distorted picture the Czechs have of the (Sudeten) Germans must not overlook the fact that the citizens along the Vltava River and along the Danube River were for 40 years deprived of any report from the West regarding readiness for reconciliation and peaceableness. The image of Germany, particularly among the

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Czechs, corresponds in many ways to the image which the British and the French had of the "Teutons" in the early 1950's.

On the other hand, the Czechs cannot understand that the expulsion left similar traumatic recollections among the Sudeten Germans; they cannot understand that such experiences as the mass murder which took place on the bridge at Usti nad Labem or the death march in Brno do not permit renunciation and forgiveness to be accomplished by a mere stroke of the pen. The dreadful acts of murder visited upon the expellees and the fact that by far not all Germans living in Czechoslovakia were ardent supporters or even henchmen of the SS state, were suppressed under the Communists. This worked very well; in the final analysis, only the smallest number of people wanted to and now want to know anything about these matters.

Given all the clamor surrounding the treaty, it must not be overlooked that the question of Sudeten German claims only comprises a portion of the broader relationship between three nations. There are still other points which, in the long run, demand at least as much attention: the dependence of the Czechoslovak economic reforms upon German capital, accompanied by the simultaneous fear of being the subject of a "clearance sale"; a prosperity border, with complacency on the one side and inferiority complexes on the other side; and, finally, the distaste for anything German, which part of the political elite, particularly in Bohemia, continues to believe it can afford. Not a few politicians and their advisers are looking to America for assistance with downright romantic expressions of ecstasy, as though they might use this long-distance vision to escape from continental European ties, and particularly from the proximity to the "big" neighbor, with all of the concomitant difficulties.

It is possible that the enduring shock coming from Moscow was sufficiently strong to reopen the eyes of the Germans and Czechs to the essential—the necessity for cooperation. The agreement now achieved regarding the treaty proposal seems to point in that direction. In any event, there is much to be done. Waiting and staring at the treaty was and remains only an excuse. Reconciliation, as has already been shown by overcoming the Franco-German "traditional enmity," does not occur on paper. An agreement can only facilitate this lengthy process—or it can make it more difficult.

Nations draw close to each other only through the relationships of their citizens and their views of each other. The Czechs will also have to embark on the troublesome path of self-criticism. No matter how the question of indemnifying the expellees is now to be regulated—meaning presumably that it might be swept under the table—anything is better than a quick paper shot from the hip. To draw a "bottom line" only by treaty under the question of occupation and expulsion would be something like putting a sterile dressing over a

fester wound; the bandage might give the impression that it is healing, yet poisoning and putrefaction continue to occur beneath it.

Emigre Condemns Past Communist Repression

*91CH0927B Bratislava KULTURNY ZIVOT in Slovak
9 Sep 91 p 1*

[Article by Lubomir Durovic: "Open Borders and Communists"]

[Text] It is pleasant to travel around Europe now that the Czecho-Slovak border is no longer closed to us, who until recently have been emigres, when you can pop over from Sweden to Bratislava, from Bratislava to Linz, from Linz to Krumlov, from Krumlov to... in fact, anywhere at all. Before then, we could look at beautiful Devin or at the panel-high-rises-infested Petrzalka only through binoculars from the Hainburg hill.

It is pleasant to travel around Europe and know that no borders are closed to you or anyone else. But one cannot say that it is pleasant to see what is beyond those open borders; or rather, it is not pleasant to think about what a comparison of conditions on one side of those open borders and the other side reveals.

Neat villages, clean windows with geraniums, mowed lawns, reliable, straight roads with accurate signs; enough hotels, *gasthof*, and excellent "*Zimmer frei*"; amiable and friendly people on the streets, in the shops—in Austria. In that same Austria, from which in the winter of 1946 people used to go to Bratislava to get warm, and which accepted with deep gratitude a carload or even a whole trainload of food, collected for them by fans of Czechoslovak hockey when, I believe in 1947, the Austrians helped us at the last moment to win the world championship in Prague—and when there was hunger in their country.

And then, when you cross over to our side, it is as if you had erased one-half century. Or even more. And as if you had arrived in a different world. Row upon row of shabby houses with peeling stucco, or in the villages ostentatious new houses behind a barrier of weeds. Weeds up to your waist also in Bratislava, in Bohemia, in villages, at roadsides. Roads (with the exception of the excellent freeway Prague-Bratislava) are bad, narrow, often dug up, poorly marked. Flickering street lights in the evening, if the lamps have not been smashed. Smelly and dirty public restrooms, poorly working showers. The panel monsters, gray and leaking. And so on, and so on. And I do not even mention the troubled, dissatisfied people, worried about tomorrow, about their work, their money.

Responsibility for all that rests with Klaus, Czechs, separatist Slovaks, capitalist West, Kucerak, Havel....

And so we ask, we, who have lived in Sweden for more than 20 years with our eyes trained at what was happening at home: Is this really the list of culprits, as they

are seen by our people at home? Because not once during the months of my visit in the republic have I heard communists named as such. Rather on the contrary: During the communist regime, jam used to cost 6 korunas [Kcs] and now they want Kcs20, what is that Klaus thinking of, anyway? And the communists are adding ample fuel to the fire: A communist—excuse me, a freshly repainted democrat and a leftist one to boot (is there in fact any difference between a “leftist” democracy and that allegedly antiquated, bankrupt “people’s” democracy?). Vladimir Minac sees the entire economic reform as Czech machinations and strangulation of Slovakia. It is a worthy sequel to his old communistic tale about the genocide of the Slovak nation during the First Republic.

Instead of that, if he as the first one, as a member of the Presidium of the Central Committee of the Slovak Communist Party, and after him all those from the Central Committee, the Krajs committees, municipal committees, factory committees, and all the functionaries and nomenklatura cadres and the healthy core—therefore, instead of that if they had all admitted: We were the ones who despoiled that ancient, civilized country. We were the ones who centralized everything right and left. We were the ones who cut it off from development in the cultural world. We were the ones who let the people eat up what was supposed to be invested, just to give them the illusion that they were well off. We were the ones who plunged this country into the misery for which at least the next two or three generations will pay before homes in Levoca or Cesky Krumlov look like the homes in Linz or Salzburg, before it will no longer take five years of waiting to get a new telephone, before calculators are no longer luxury items, before televisions or videos from Orava no longer look like Cinderellas in comparison with Sony, Hitachi, Phillips, or Siemens....

How is it possible, anyway, that almost all those party functionaries, that almost all those communist despoilers of our country are still sitting in their old places, collecting their high salaries and monies (because they mostly took care that nobody other than party members had access to education and the necessary experience) and behave as if nothing happened. That they are publishing their well-established PRAVDA and RUDE PRAVO and are spreading uncertainty and fear. And those whom they deprived of the possibility of being educated, whom they threw out of their jobs, who were left with, I believe, wages of Kcs1,500, those now will pay for the disaster they did not cause.

And so I say to myself that it would be just if, for example, everyone who stayed in the party after 1969-70 continued to pay party contributions, but this time into some kind of fund for the reconstruction of the republic or a compensation fund. For as many years as they paid them to the party. And an extra charge would be imposed on membership in committees: Kcs100 a month for factory committee, Kcs200 for all-factory committee,

Kcs300 for municipal committee, Kcs500 for Krajs committee and local school committees, Kcs1,000 for Central committee. And members of the Presidium of the Central Committee, for example, Minac, Bilak, Pezlar, and, above all, Husak, at least Kcs2,000 a month, so that they would pay at least some damages to our devastated country. Without regard to what they are now making up about what they have contributed.

Are you saying that it cannot be done? That we are a democratic country where it is impossible to punish collectively? That no court has declared the Communist Party of Czechoslovakia to be a criminal organization and that therefore their members cannot be prosecuted? That, because our society was so thoroughly permeated by the communist system during the 40 years, in peacetime conditions—in contrast to the sister NSDAP [National Socialist German Workers Party] in Germany after the war—the communist party here cannot be made illegal?

Obviously you are right, although—it is an enormous paradox! After all, never in our history (with the exception of the years 1939-45) either in the Czech lands or in Slovakia has there existed such a criminal system that killed, imprisoned, or morally destroyed so many people, not even speaking about the economic ruin which I mentioned at the beginning of this article.

If then we cannot punish them according to law, then let them at least feel a moral pressure. Let us teach our children and children of our children that communism is the same crime as Nazism or fascism. That the communists for 40 years have executed, imprisoned, thrown out of work, distorted character, falsified history, destroyed well-being and order which used to be here before them. That they made our country into a second-rate country in Europe, that because of them a Slovak had to travel to Hamburg to find decent goods, and could only press his nose against the shop window and look when he began to calculate how many korunas to a mark.

And to the communists, to those “people of special coinage,” I would like to add: I am quite serious about those contributions. Since we cannot force you to do it (because we replaced your criminal laws with our democratic laws!; according to your old laws we could really put you through the wringer!), do it voluntarily! Go ahead and establish a compensation fund on your own, you, the culprits, try to contribute at least a little to the rectification of what will have to be rectified economically, but above all politically, morally, and psychologically for generations to come by others.

Slovak Writer Satirizes Misplaced Nationalism

91CH0927A Bratislava KULTURNY ZIVOT in Slovak
9 Sep 91 p 1

[Article by Valer Mikula: “I Am for an Independent Slovakia...”]

[Text] ...because I have not done any bang-bang for ages, and when it comes to shooting, why, I guess I have never

shot anyone, and without that it is difficult to feel like a real man. That Minac generation [Vladimir Minac—communist writer, member of the Central Committee of the Communist Party of Slovakia], they are a different breed of stalwarts, the barrels of their partisans' guns are notched, if a German or one of our own, a traitor, wandered into their sights, or anyone else, they pulled the trigger and there he was doing somersaults, well, they made no end of contributions. But we were just sort of traipsing around, kicking each other in the butt in beerhalls, and the more exalted ones could belt each other in the writers' club; men, that is no way to live! And what about today's young, they sit around coffee houses, they dissolve sugar in their coffee and sip it from tiny spoons—it is enough to make you sick.

Well, they, too, will go up into the mountains, to Spis and Orava, but Slovak mothers don't worry, they will not be lounging around there, just idly blowing smoke rings into the air. When we have our own state and go out to take from the Poles our villages which the Czechs sold to them for a bucket of coal, they will find more manly entertainment. That Slovak lad, when he lies in ambush under the trees, knees pressed into his native soil, a submachine gun clasped in his hands, in vain will the Polish fellow try to dodge him, one-two the Slovak will make a sieve out of him, like it or not. Or to pull the pin from the grenade and fling it through the window into the kitchen of a Hungarian housewife, that is also good, right?

But maybe pretty soon we will not have to go after the Hungarians anyway (pity, isn't it?), they will be quite docile, because we shall have the Gabcikovo Dam filled with water up to the rim, and if they give us trouble, we shall pull the plug and flush all of them all the way down to Istanbul. On the other hand, for the sake of historical justice, we shall have to do some work beyond the Carpathians: Moskali [as published] and Ruthenians will be doing some murdering, and in the meantime we will pounce and Mukacevo, Uzhgorod, and Chust will be ours. And if some ataman refuses to give it up, why, we will shoot him, kill him, maybe they will murder a few of our boys, but that is nothing, we shall put up memorials, write editorials, bishops will sprinkle holy water, mothers and sisters will shed tears; a new state after all needs some hero-martyrs.

Hey, our ethnographers are correct, the sensitive Slovak hardly has anything in common with the cerebral Czech. We don't set store by brains that much (after all, how could we, goodness knows where we stashed them away, and who would have time to look for them now when dawn and Svitakism are breaking in Slovakia [Ivan Svitak—Social Democrat, professor of philosophy, 1969-1989 in emigration; a Marxist], but what the heck, a broad hat will cover it up), but temperament, blood, genuine emotion, that is for us, that makes us closer to our Yugoslav brothers than to anyone else. After all, isn't it a pleasure to watch how they go at each other heart and soul, how they separate heads from bodies, gouge out eyes? And that is nothing yet. When the security forces leave the front lines of the militia, the Kurds of the

Croatians, and national minorities of the national army, only then will the real patriotic spirit prevail. Because until now those mercenaries and un-Serbian unrelieables have been fighting rather like sissies, without any ideal—only when a real Croat slashes a Serb to pieces, and a real Serb cuts Croat women into portions, only then will it become the real holy war for the nation, for an independent Croatia and Greater Serbia.

And what about us, are we different? Do we have water in our veins instead of blood? After so many years of spiritual emptiness, after so many years spent in idleness, the nation hungers for an idea, for action. Let's give it the idea, let's give it the action, let's give it both of those. Young people will leave the smoky coffee houses, fathers of families will forget the numbing, leads-to-slavery capitalist work, even some old fogies will at last be able to shoot something more exiting than goats—he says ouch when your shot hits him, and when your shot is even more accurate he does not say anything, he only twists strangely, throws up his arms, falls on his back, and his blue eyes stare fixedly at the blue sky. That is why I am for an independent Slovakia.

Citizen and Coupon Privatization Examined

*91CH0915D Prague HOSPODARSKE NOVINY
in Czech 29 Aug 91 p 9*

[Article by Eng. Marcel Derian: "The Citizen Under Coupon Privatization"]

[Text] Today, the idea of large-scale privatization is frequently the object of discussion. This is particularly true of one specific form of large-scale privatization—the coupon method. To a broader extent, articles are published which are intended to "explain" the advantages of purchasing investment coupons to the public. With a few exceptions, adequate attention has not been devoted to critical views of coupons from the standpoint of the citizen-investor.

It is possible to track down several notions. They range all the way from repudiating coupon privatization as a whole (particularly by people who proclaim some kind of a postsocialist economy) all the way to convincing enterprises to devote the least possible number of shares to coupon privatization. Completely erroneous views, such as, for example, the views espoused by F. Trnka (chairman of the Agricultural Party), who states that the acquired shares are worthless (for example, HOSPODARSKE NOVINY, 19 September) and, on the other side of the argument, "guaranteed" reports that it is possible to acquire a minimum of 90,000 korunas [Kcs] for investment coupons worth Kcs1,000, bring forth questions on the part of the current reader.

It is possible to compute the value of shares which are acquirable, on the average, for Kcs1,000 through investment coupons. We get the result by dividing the sum of

the total property which will be designated for the coupon method of privatization in privatization projects, by the total quantity of coupon booklets. First, we shall attempt to determine the quantity of coupon booklets. Some estimates expect there to be two million booklets. I believe that this number is grossly understated. The efforts to obtain something "inexpensively" is deeply rooted in our citizens. Let us consider that many citizens will make use of the coupon booklet. Let us estimate the upper limit at five million booklets (every third citizen) in the first round and four million booklets in the second round. This comes to a maximum of nine million booklets, each of which is worth Kcs1,000. Now, it is necessary to determine the overall total of property to be privatized with the aid of investment coupons. However, this is a very complicated question which is difficult to estimate in advance. It depends on the conduct of the enterprises. If an enterprise finds an interested foreign partner, then it will, most likely, put nothing into coupons. In the event it intends to risk something, then the amount of property assigned to coupons will be very small.

How will the privatization project of an enterprise look if there is interest in it from abroad? The securities will be probably divided as follows: 3 percent for restitution, 10 percent for the employees, a portion to the foreign entity, and the remainder will go to the stock exchange (there will be interest in these shares). What will the project of an enterprise which will be speculating to achieve the highest price look like? Three percent for restitution, 10 percent for the employees, and the remaining 87 percent will be left within the fund. Within the fund, the securities will have their accounting price level. After privatization, the securities will be purchased from the fund, will be repriced at the market level, and then sold. The difference between the accounting price and the market price will be retained by the enterprise. And how will an enterprise which is facing a bleak future regard its privatization? In general, it will not be able to sell its securities to anyone (the owner of the controlling package would likely drastically reduce the number of employees and would find another type of production activity in which to engage), it will, more likely, make efforts to fragment its securities among several owners. And coupon privatization is the best method suited to this purpose. Added to all these considerations is the fact that privatization projects will be approved by the founders of enterprises. And the leaders of some ministries are making no secrets of their negative attitudes toward the coupon method.

It can thus be summarized that the outlook for acquiring valuable securities for investment coupons is not overly hopeful. In the case of a 1:90 profitability ratio of investment coupons, there would have to be sufficient property to cover nine million coupons (see above), multiplied by 90 and by the value of the coupon booklet (Kcs1,000), that is to say, a total of Kcs810 billion. In other words, after publication of the final listings, anyone can compute the average value of property per

1,000 investment points contained in a coupon booklet. However, the fact that the market price of securities will not be overly high ("low-quality" securities) must be anticipated. Similarly, the sale of securities on the stock exchange will not be overly easy in view of the shortage of capital and high interest rates.

Another problem involves the investment of coupons. The majority of investors knows that purchasing securities of enterprises such as the Plzensky Prazdroj breweries or Bohemia Glass Works is very advantageous. Of course, in the event that many people are interested in buying the shares of a given enterprise, the ordinary investor gains nothing, the investment points are returned to him, and he can use them in the subsequent privatization round. The prices of shares which are in short supply, expressed in investment points, will increase in accordance with demand for them in the previous round. Consequently, a large number of investors will be evaluating the securities of other, less well-known enterprises. Toward this end, they should be assisted by data listed in privatization projects and estimates pertaining to the subsequent fate of the development of enterprise production programs. Of course, the ordinary citizen cannot acquire much information. Here, there will be unjust advantaging of "insiders," that is to say, bank employees, employees of larger enterprises, and others who have access to currently inaccessible information.

This is an argument in support of the idea of establishing privatization coupon funds. What was previously said regarding the information in the hands of "insiders" goes for banks (the minimum capital required to establish a fund is Kcs1 million) even to a greater extent. The citizen hands his coupon booklet to the fund, along with his power of attorney, and the fund will invest for him. For this activity, the fund will charge a certain percentage of the achieved profits, in my estimation, this charge will run from 3 to 10 percent. But what is very startling is the fact that it is expected that these funds will be advantaged (as if the mass of information were not a sufficient advantage) in such a manner that the funds will have priority access in purchasing securities. This would mean that the funds could buy very advantageous shares ahead of the ordinary citizen. This would be an absolutely intolerable advantaging of the funds which should not be approved, lest the ordinary investor loses confidence. The coupon funds can provide guarantees that profits will be at the average value accounted for by one coupon booklet because, thanks to the knowledge of a larger quantity of information, the probability exists that a higher profit will be achieved.

Social Reform After 1 Year Examined

91CH0915A Prague HOSPODARSKE NOVINY
in Czech 4 Sep 91 p 8

[Article by Petr Miller, federal minister of labor and social security: "Autonomous Institutions in Place of State Bureaucracy—One Year Out of the Scenario for Social Reform"]

[Text] One year ago, together with the scenario for economic reform, the Government of the CSFR also issued a scenario for social reform. The prerequisites and expectations, in support of which the Government of the CSFR adopted the scenario for social reform, have been confirmed by developments and that is the reason why even the approaches proposed in this scenario continue to be topical.

Let us recall only very briefly that the Government of the CSFR at that time expected that the economic reform would essentially cause problems with employment and price increases and that even the elimination of fear in the democratic process would have its social consequences. The government was also aware that, given the apparatus of the social institutions which it had inherited, it could not successfully confront any possible social tension which would be brought about by an increase in unemployment and by a decline in the standard of living. The entire inherited social system had been designed to satisfy the needs of a centrally planned state economy and was inadequate for the world of a market economy. Therefore, the government had to initiate a radical social reform—concomitantly with the economic reform—which would provide timely protection for people against unnecessary hardships, would facilitate their democratic participation in social administration and in the creation of social conditions. The radical social reform was, thus, also expected to create the necessary social prerequisites for the passage of the economic reform.

Let us recall that the following were the key pillars of the scenario for social reform: A systematic policy of employment, an income policy, and a social security policy.

Principal Intentions

With respect to employment policy, what was involved was a rapid creation of a system for absorbing unemployment, brought about by structural changes as well as the elimination of social employment, resulting primarily from the growth in productivity of labor and privatization. It was necessary to establish a system of labor offices on a timely basis which would support the creation of new jobs, small entrepreneurial activities, and publicly beneficial works to the necessary extent, as well as establishing a new system for supporting the unemployed. It was necessary to rapidly establish a system for retraining people as a condition for the smoother course of any structural changes.

In the employment policy, it was also a question of reestablishing the importance of the labor contract and changing the legal arrangement applicable to working conditions in such a manner that an adequately equal amount of room would be created to permit employment in private enterprises. It was necessary to democratize legislation in this area by permitting the interested parties to determine working conditions for themselves in a system of collective bargaining.

As far as income policy was concerned, what was involved on the one hand was the liberalization of wage regulation and, on the other hand, creation of effective guarantees that the minimum standard of living would be maintained by a social net, which we have learned to call a safety net. The most complicated problem involves the securing of the needs of children in families, provisions which would have the created system provide effective and specific assistance to the poor and would, at the same time, be adequately motivating for parents, would take their responsibilities and the sovereignty of the family into account, that it would be adequately prepared to react to rapid social and economic changes and that it not be overly expensive. So-called across-the-board solutions did not prove feasible because they led to the pulverization and waste of resources by making payments even to those people who did not need them.

With respect to social security, what was primarily involved was the protection of our most vulnerable citizens against the unfavorable effects of the economic process. It was necessary to rapidly develop mechanisms of valorization and to prepare a reform of the entire social security system so as to stress social justice and citizen responsibility and so as to gradually subordinate this sphere to the principles of democratic autonomy.

The Balance of Achievement

The social program of the government of national understanding was essentially fulfilled and, for the present, we are on a good road toward even fulfilling the government program of last September.

It was possible to establish a system of labor offices in sufficient time and to pass legislation governing the payment of unemployment benefits so that we now have an institutional system which can effectively deal with unemployment. In their daily lives, citizens certainly encounter varying local practices, which can make their lives more miserable, but this is natural. The fate of every system, no matter how well-created it may be, is, in the final analysis, dependent upon the people who work within it, upon their self-sacrificing nature, and upon their willingness, special knowledge, and experience. After all, unemployment is a manifestation which is new after 40 years; we do not have any experience with an active employment policy and people must learn on the job and acquire experiences through their mistakes. None of this means that the system is bad. If we did not have it, our problems would be more painful.

We have agreed with the Association of Employers and with the trade unions upon a tripartite negotiation process involving working and social problems prior to the time these problems are to be discussed by the government. This was the first step toward democratic collective bargaining, which is customary in the Europe into which we wish to enter. We liberalized the labor code in a substantial manner and thus created—once more in a timely manner—a significant mechanism

which will make it possible for the social partners to cooperate in solving problems and to, thus, avoid unnecessary working and social conflicts.

With the aid of the state equalization contribution, it was possible to mitigate the social impacts of price liberalization in its first stage, when subsidies were eliminated. This instrument currently continues to serve us in mitigating the impact of price liberalization pertaining to fuels and heating costs for families with dependent children and for retirees. Thanks to the parental contribution, it was possible to lessen the social consequences for young married couples involved in caring for children up to three years of age (possibly up to seven years of age) during a period of growing unemployment which impacts more heavily on young mothers who are frequently absent from work.

It was possible to create a mechanism for valorization of pensions, which has already been used twice. Thus, pensioners were protected to a certain extent—and at that, their protection was more than that for the rest of the population—against the consequences of inflation. This is just because these are citizens who no longer have an opportunity, and will not have an opportunity, to care for themselves under conditions of a market economy.

Petty Disputes Regarding Jurisdiction

For the time being, we have not been successful in finalizing an effective social net which would be capable, with the required speed, of rendering appropriate assistance to needy citizens, particularly in cases involving large-scale economic movements with unpleasant consequences on the standard of living of those who are the poorest. With the aid of the existing wholly inadequate network of social care, we are able to take care of pensioners whose pensions are their sole source of income and we can do so only because the actual pension payment is accomplished by social security administrations. However, I do not know how we shall master this task once there are long-term unemployed who have exhausted their allocations according to the employment law. We cannot afford to expressly increase allowances for children and, at the same time, we do not know how to rapidly provide more assistance to poor families, for whom resources might be found. Briefly stated, we are not successful in solving questions which fall within the sphere of social assistance.

For the time being, we have been unsuccessful in separating social security financing from the state budget and creating an independent public legal fund, nor to democratize the administration of social welfare in such a manner that it would be administered by those whom it serves. We continue to encounter efforts to bureaucratize social administration and to centralize it at various levels within the hands of state organs.

Among the important reasons for these failures are petty disputes regarding jurisdictions and places where the same social and labor law rules should be applicable to a unified labor market. A fundamental misunderstanding

of the nature and role of social administration is also contributing to this situation. Social administration must be democratized and debureaucratized which many chairmen of okres offices have failed to comprehend and regard social administration as one of the instruments of their power, as I have heard. Unfortunately, not even representatives of the republic governments are able to explain this to them and to, thus, counter these injudicious efforts.

The causes include even a lack of knowledge and consideration in judging and solving individual social measures. Problems which are brought about by the parallel nature of pensions and wages exceed the positive aspects of the solution approved by the Federal Assembly. A similar situation will also pertain to the decision governing the practical temporary work assignments for graduates of schools and other steps which were hasty as well as not being well thought through on a systems basis.

Inconsistencies in the Democratization of Social Administration

Social administration never was and was not meant to be solely a state matter. Various forms of nonstate social administration are historically older, such as philanthropic societies and churches, administering systems of facilities for the poorest of the poor, self-help groups were known already in ancient Rome, and community social or poorhouse administrations, which had, for the first time, appeared in medieval England. In modern times, this area is even being penetrated by family and special-interest groups such as, for example, the Association of Mentally Retarded Children, who desire to administer the institutions in which their children live.

The modern state engages only in a negligible portion of direct actual social administration work or care, handling only that which is based on a broad nationwide social solidarity. Primarily, it conducts oversight over the maintenance of legal codes in the social sphere. Secondly, it helps nonstate entities to perform their social work. Thirdly, it sets the rules (and extent) of social justice, through which it regulates the minimum working and social conditions for human dignity in the life of its citizens and does so in harmony with the declarations of human rights and in harmony with international obligations. Fourthly, it stimulates the creation of an operation of socially beneficial institutions of a public legal nature, such as, for example, social insurance or security, as we still tend to call them today, social asylum institutions, social consultation and care services, etc., and monitors their autonomy to the extent to which it guarantees their solvency. And finally, through its apparatus or through the medium of the communities, it distributes state (tax) resources among citizens living below the level of the minimum living standard, in order to prevent social destabilization.

This highly abbreviated enumeration makes it clear to everyone that the state only monitors and initiates the overwhelming portion of the administration of social

affairs. And where it engages in such administration, it does so partially through autonomous public legal institutions, in which administration is handled primarily by those whom these institutions are supposed to serve. Social institutions and social security programs are administered not by organs of state administration, but by administrative committees and oversight councils composed of elected representatives of interested groupings of citizens or of leading citizens enjoying a general reputation and confidence, indicating that they will conduct themselves honorably. This is what I consider to be the kind of democratization of social administration for which we are calling.

Instead, however, I am very surprised to hear calls for the unification of all social administration in the hands of okres offices—in other words, calls for further centralization (albeit only at the okres level), and a bureaucratization which had already once killed the initiative of people in this country to care for themselves as individuals, in families, in groups, or in communities. Although we proclaimed at the very beginning that we will democratize social administration, the republic ministers are incorporating social security functions in their offices, they are not establishing democratically administered republic-level labor offices, but employment administrations as part of their offices. And, at that, there are calls for decentralization and the entire problem is being exchanged only for a particularized type of administration. Instead of being centralized at the federal ministry level, centralization is taking place at the republic ministerial level. Okres offices are attempting to concentrate power in their hands, as they did of old. Autonomous elements in social administration are not being supported, but there are calls for their centralization, for bureaucratization.

A Disastrous Situation

And one other new manifestation causes me concern. In the past, social welfare was successfully decimated under ideological slogans on the bourgeois essence of social policy. We do not have an adequately well established system of social networks and, consequently, we do not know how to render timely necessary assistance to poor people. It takes a long time and people suffer. Today, we are not only talking about people who are socially disintegrated, torn out of their social roots, but primarily we are talking about a standard situation when an otherwise totally normal citizen falls victim to poverty temporarily for various reasons. We have an absolute shortage of specialists who would know how to care for this citizen, how to assist him with advice, how to render him essential support, or how to adequately and properly care for his children. In this situation, we hear of efforts to reduce the across-the-board state apparatus. People are not aware that social administration is not a state apparatus in the true sense of the word.

In its relationship with the citizen, the state acts in at least three levels: As the governor and administrator of public affairs, as the protector, and as a servant. If we

wish to limit the general administrative apparatus, then this corresponds to efforts to reduce the importance of the state as a governor and our role as the governed subjects. The situation is already more controversial if we speak of the protective roles of the state, because, apart from the Army, it not only has the police, but also its control organs at its disposal which are intended to guarantee all citizens that their rights will be protected and taken into account. In this country, some of these controls are still missing, such as, for example, an effective artisan activity control, a labor control function, or an internal revenue control function. And the situation becomes most dramatic wherever the state is supposed to act to benefit the citizen. Here—as I have already mentioned—we inherited a wreckage and must finalize the development of those apparatuses so that they might be efficient and able to serve people at all. If we wish to contribute to the well-being of families with children by using need criteria, it would take from six to eight months, given the apparatus which we have and we would endanger the fulfillment of its additional social obligations by doing so. This is a downright disastrous situation. Under these conditions, I consider it to be irresponsible to speak of savings or of any kind of other limitation applicable to the apparatus of social administration.

Because things are the way they are, I consider it essential to keep the apparatus of general state administration separated from that of social administration and not to consider social administration—because of its public service and servicing character—to be a state administration in the true sense of the word and to exempt it from any considerations governing the reduction of the state administration.

What We Are Preparing

By election time, there will be a lot and it will be in all sectors for which our ministry is responsible. This will involve both topical legislation such as, for example, the further liberalization of wage regulations, the regulation of incomes for certain groups of the population in harmony with price increases and wage increases, regulations of employee obligations in the state administration, as well as long-term affairs which will not be solved by the time the elections are held, but which must be judged, such as the concept of social insurance and the principles of a new labor code, so that work on their texts can continue.

We must reopen the questions of an employment law because practice has revealed some of its weaknesses. Even the existing labor code will have to be amended, so that, on the one hand, the process of liberalizing labor law relationships can continue and, on the other hand, because the time has come for making a new and different beginning regarding the regulation of service conditions for state employees. We are preparing a proposal for a law on the standing of specialized employees in the higher services of state administration.

With respect to income policy, we are expecting a proposal for a wage law, a law on travel allowances, and a law on regulating deductions in the wage area. A proposed law covering the remuneration of employees in organs of state administration and in some other budgetary organizations under the jurisdiction of the federation is among measures which are expected to establish an additional step toward the creation of a new modern state service.

In the area of social security, we are preparing, on the one hand, additional steps toward creating social insurance and, on the other hand, we are continuing with the development and assertion of a social net. On the road toward social insurance, key proposals will be, on the one hand, the separation of social security financing from the state budget and, on the other hand, the replacement of labor categories under social security through a coinsurance system. In social assistance, a key position is occupied by the proposed law on the minimum living standard. Within the framework of valorization, we shall have to change the law on health insurance, make a beginning with respect to the third increase in pensions and valorize the size of parental contributions and foster care remunerations. To assist parents, we are even preparing a proposal to increase the state equalization contribution for minor children.

Internal Koruna Convertibility Progress Viewed
*91CH0915C Prague HOSPODARSKE NOVINY
in Czech 29 Aug 91 p 9*

[Commentary signed Jan Cizek, Prague: "Internal Convertibility of the Koruna; The Current Status Requires Additional Steps"]

[Text] The complete liberalization of foreign trade contacts will consist of linking all entrepreneurial entities to this activity, be they registered in the Enterprise Register or even if they are other entrepreneurs, a status which simultaneously makes it necessary to regulate their access to foreign exchange resources and, as a result, makes it necessary to amend the foreign exchange law.

I believe that linking entrepreneurs only to the system of internal convertibility is fraught with pitfalls. As long as the method of registering an entrepreneur-artisan, which is very simple and, let us say, inexpensive is not changed expressly, then access to foreign exchange is acquired without any problem by virtually everyone who shows an interest in this access. The legislative barrier to access to foreign exchange resources for foreign exchange Czechoslovak nationals who are not entrepreneurs—in other words, other physical entities—is merely artificial.

Entrepreneurs who are not registered in the Enterprise Register can, on the basis of a brokerage agreement, assure themselves access to foreign exchange resources through the actions of those entrepreneurs who are registered in the Enterprise Register. They can, thus, import goods in any amount, with the only disadvantage being that they pay a commission to the broker.

However, these entrepreneurs are paradoxically at an advantage if they export their products through registered colleagues on their own account. They have the opportunity of keeping the foreign exchange receipts in their foreign exchange account, whereas the foreign exchange receipts of registered entrepreneurs are subject to the tender obligation.

Under the present situation, practically free access to foreign exchange resources is available to physical entities (citizens). If a citizen has a sufficient amount of Czechoslovak currency, he may, for example, order a trip around the world from an entrepreneur-travel agency. He pays for this trip in korunas because, within the framework of internal convertibility, the travel agency has access to foreign exchange resources and is not compelled to ask for payment in foreign exchange, neither out of the limit which this citizen has allocated to him for purposes of travel, nor out of his foreign exchange account, provided he owns one. The same holds true for the importation of goods for which an order has been placed.

These facts lead me to the conviction that the system of internal convertibility should be expanded without differentiation to all foreign exchange Czechoslovak nationals who might be capable of covering their obligations within the framework of the current account of the balance of payments to foreign exchange foreign nationals without limitation. Only so-called capital transfers should remain limited, both for the purchase of foreign securities, real estate abroad, and other forms of property participation in entrepreneurial activities abroad. This proposal means, on the one hand, free access to foreign exchange for all foreign exchange Czechoslovak physical entities—in other words, rescinding those tourist limits which are inadequate for even vacation purposes according to Czechoslovak standards, but, on the other hand, introduction of a tender obligation even for these physical entities—in other words, eliminating the possibility for depositing foreign exchange resources into foreign exchange accounts.

It is possible that, at first glance, this proposal sounds as though it is psychologically unfavorable for citizens. However, there would not need to be an absolute tender obligation. I would suggest that a certain limit be established for physical entities, for example, a countervalue of 10,000 korunas [Kcs]—(approximately 500 German marks), which would be exempt from the tender obligation. This tender obligation would then be waived in certain payment categories (for example, inheritances, alimony payments, gifts).

It is unnecessary to remind readers that the foreign exchange collected by physical entities only represents a small fraction of the overall foreign exchange collections produced particularly in the entrepreneurial sphere. That is why there is no need to be overly concerned about any possible foreign exchange outflow as a result of the failure by physical entities to fulfill their tendering duty. Here, another economic stimulus should come into

play, represented by a monetary policy aimed at stabilizing savings. This should act to establish an adequate competitive environment in which physical entities could consider whether it is more advantageous for them to accumulate savings abroad in foreign currencies or domestically in korunas—what is involved here particularly is a suitable interest and credit policy.

Complete internal convertibility, as we could call the described model, would, simultaneously, create an opportunity to put an end to the illegal conversion of foreign exchange. If everyone has access to foreign exchange resources, they will have no reason to seek foreign exchange in the parallel black market. The introduction of complete internal convertibility would obviate even the essential legal regulation for purchasing and selling goods and services on the territory of the CSFR for foreign exchange (Decree No. 370/1990). It would even create the prerequisites for eliminating the system of Tuzex-type sales and, thus, for the liquidation of one of the surviving monopolies.

In my opinion, the contribution to the Czechoslovak banking system will also not be negligible. The banks would be relieved of the burden of maintaining tens of thousands of foreign exchange accounts for individual clients and I believe that they would gladly lament over the revenue resulting from maintaining these accounts because they would be rid of possibly hundreds of thousands of transactions.

The text of the law should also mention the expansion of banking services and business transactions, including increased protection for banking clients, particularly from the standpoint of the speed of services rendered to the benefit of clients. The guarantee of a free transfer of profits and other incomes having to do with investments by foreign investors should be handled in a positive manner.

Also, the opportunity for foreign exchange foreign nationals to acquire ownership rights to domestic real estate deserves to be reevaluated. The current prohibition contained in the foreign exchange law is already very relative (joint ventures, small-scale and large-scale privatization) and, moreover, should less likely be part of a foreign exchange law because this is a property-legal relationship in which the foreign exchange aspect is not decisive, but only secondary.

On the basis of the indicated amendments to the foreign exchange law, the question offers itself whether its adjustment would not be exceeding the parameters of amending legal regulations and whether or not consideration should be given to issuing a totally new law which would contain the realized as well as program changes pertaining to the foreign exchange economy. However, the judgment of this question is already a matter for the legislators.

Different View of Reform Presented

*91CH0915E Prague HOSPODARSKE NOVINY
in Czech 29 Aug 91 p 9*

[Article by Eng. Jiri Polesovsky: "The Reform From Another Viewpoint"]

[Text] When seen through the eyes of specialists, the economic reform is developing favorably. From the viewpoint of the ordinary citizen, however, the results do not look overly optimistic. Let us say that the beginning was in 1990 when subsidies to enterprises were suspended as one of their first and more useful steps of the reform.

The halting of subsidies was a key moment, when it could become clear which of the enterprises is good and which is bad. It seemed that an opportunity was presenting itself to liquidate and rapidly privatize the bad ones or to change inefficient production programs and reduce production costs with some degree of finality. If the pressure to lower costs were to persist, the limitation of the extent of the overly inflated administrative apparatus in enterprises and offices outside of enterprises could occur. A law on bankruptcy, the issuance of which was being constantly delayed for incomprehensible reasons, should have already existed at that time.

Thanks to the erroneously timed liberalization of prices, however, everyone enjoyed a comfortable life for a short time. All unnecessary costs were washed away by price increases, the lowering of costs was quickly forgotten, the overinflated administrative apparatus remained in place or arose in new locations, and anyone who bought anything at the old prices could be happy. Those who had accumulated adequate financial resources under the past regime were particularly happy. To the extent to which they received necessary information in sufficient time—and they did so surely thanks to their contacts—they were able to richly multiply their property holdings by making purchases and later selling this property at high uncontrolled prices. This was accomplished primarily to the detriment of the ordinary honest citizen.

The increasing of prices required a substantial quantity of money in circulation, there was no new money issued, so that a shortage of money developed in interenterprise contacts and, subsequently, also at banks; the banks stopped giving credits and made out as though what was involved were stimulating economic measures. In the meantime, the package of interenterprise debts grew and gradually became a haven for price increases. To this day, the enterprises are tossing the package of debts back and forth among each other. Bad enterprises dragged even good enterprises into debt with them and, in combination with poor external sales situations in the former CEMA countries, all of them are bad today, with the possible exception of some. In other words, the situation became simplified; it is possible to point the finger at any enterprise and identify it for liquidation.

The former regime was primarily benefited by the so-called "fulfillers of decrees at any price." Today, small-scale privatization is occurring in the same spirit, without regard to whether the victor in an auction is capable of making purposeful and useful use of the property acquired from the social standpoint. Similarly, no attention is being paid to whether the participants in auctions are from the ranks of various mafias which undoubtedly exist and frequently have their bases in the former structures. It is very likely that direct sales or rental of properties to whomever submits the most efficient and actually specialized intention for their utilization would be essentially more purposeful. That which is going on for the time being is a form of ripping off as much as possible and as soon as possible without regard for anything else. After all, the state should not make shortsighted considerations regarding the maximum revenue today, but rather regarding the long-term effect. If certain dealings appear to be attractive today, then these are only the aftermath of the price increases and a result of a nonmarket economy for the time being.

We complain that privatization is occurring slowly. This is surely also a consequence of the retarding effect of restitutions, of the process for returning property. The notion that restitution will accelerate privatization has turned out to be totally erroneous. To the extent to which anyone defends restitution as being a moral duty, it would be just as moral to indemnify millions of citizens

for 40 years of a lowered standard of living and the lack of opportunity to acquire their own property during that time through honest labor.

We should, finally, realize that economic theory alone will not save us, just as much as we shall not be saved by politicking and the struggle for jurisdictional and power positions. We can only be good if we do useful work, if we produce useful salable products, even for foreign markets. Economic effect arises primarily as a product of useful work.

So, let us pose the question as to whether anyone in this state is concerned with creating conditions, a climate for honest and useful work? Anyone who has attempted independently to initiate entrepreneurial activities (and I do not mean profiteering) is encountering fantastic difficulties, ranging from the unnecessary protraction of official actions through difficulties with credits, the obtuseness of some legal provisions, through the actual impossibility of acquiring nonresidential space, and the negative and envious position of others. Support for private entrepreneurial activities is purely declaratory.

The general theory of economic reform is undoubtedly correct, but it only forms a framework—the sources of profits are, after all, primarily in the activities which create useful values. As long as we are not solving problems from this standpoint on a priority basis, the transformation of our economy will be protracted over several decades, provided we will not be compelled, in the meantime, to sell ourselves to Western capital. The current approach cannot be called anything other than a nonsystems approach.

Exchange Over Restitution for Political Victims**Rajk Assails Policy**

*91CH0885A Budapest MAGYAR HIRLAP
in Hungarian 2 Sep 91 p 3*

[Open letter by Laszlo Rajk, Alliance of Free Democrats parliamentary deputy, to Tibor Zimanyi, Hungarian Democratic Forum parliamentary deputy and secretary general of the Recsk Alliance—first paragraph is MAGYAR HIRLAP introduction]

[Text] In our 24 August (Saturday) issue we published a report submitted to us by Tibor Zimanyi, secretary general of the Recsk Alliance, under the title "No Compensation for Rajk and Palfy." The information provided by the MDF [Hungarian Democratic Forum] lawmaker was offered to us as an update on a draft law currently under preparation, concerning restitution payments to be awarded to victims incarcerated between 1939-89 for political reasons. In that article he made it categorically clear: "Eligibility for compensation will be denied to anyone who had participated in strengthening and operating the repressive apparatus that later would also claim him as a victim, or who himself had been responsible for the commission of serious crimes. This means," according to Tibor Zimanyi, "that the relatives of neither Laszlo Rajk nor Gyorgy Palfy [communist; Rakosi government tried and executed him in connection with Rajk's show trial in 1949]." This is what drew a written rebuttal to our editorial office from Laszlo Rajk. Also published below is Tibor Zimanyi's response to Laszlo Rajk. As far as our editorial office is concerned, this concludes the debate—which is a reflection not only of a disagreement between two parliamentary deputies, but also of a fundamentally different view and philosophy—and we leave it up to the reader to draw the necessary conclusions.

Dear Fellow Deputy, Mr. Tibor Zimanyi,

Last week you revealed some far-reaching plans that—as an MDF deputy and former victim of political persecution—you had prepared to address the issue of political restitution. Your ideas were published in MAGYAR HIRLAP under the title, "No Compensation for Rajk and Palfy."

As a deputy, I intend to make an objective assessment of your legislative intentions. In the meantime, however, I feel that it is my duty to somehow try to put your barely European, hardly humane, and blatantly un-Christian attitude into perspective.

You have used my name, the name of a fellow deputy, to illustrate the newest principle of exclusion from the realm of the law. This is what you have said in effect: "That man sitting over there among the opposition, for example, should not even dream about receiving the one million forints which I, Deputy Zimanyi, am certain to be awarded." Now that is what I call genuinely high

legislative principles, complete detachment from personal and party interests, and exemplary task-orientation—what more can I say about your taste and sensitivity?

Let us make it clear right at the outset that just the opposite of what you have implied is the case. You are assuming that Laszlo Rajk, Jr., is asking for but not receiving political restitution. In fact, I am receiving, but not asking.

First of all, you know my position on the restitution issue. As other Free Democrats, I too would have supported restitution payments, but not only to former property owners, but to all Hungarian citizens who were victims of the excesses of the past 40 years, if only because they were denied the opportunity to live a better life. Restitution would be great if it could somehow promote economic recovery instead of turning into a budgetary drain to the detriment of today's generation, whom it would doubly victimize. Among the Free Democrats I was one of those opposed to the idea of political restitution. Unlike you, Mr. Zimanyi, I still vividly remember the Institute of Party History, the Partisan Alliance, and similar institutions. To me the idea of political restitution will always be a sign of a system trying to legitimize itself.

Secondly: For separate, personal reasons it would have never even crossed my mind to accept money either for the suffering of my father, or my mother's imprisonment, or for the fact that from the time I was two months old until my mother was released, I lived as an orphan under the alias Istvan Kovacs, or even for having spent two years in a Romanian prison resort after 1956. But your attention-catching messages, across the semicircle of the parliament floor, from the progovernment rows to the opposition side, really make me wonder. How do your brilliant lawyers intend to distinguish between the vilification of Laszlo Rajk, Sr., and the suffering of those sympathetic to you? Was Laszlo Rajk not sentenced to death on trumped up charges and confessions made under duress?

"Yes, but..." you would retort immediately, but I ask that you kindly save your breath. Not only because I want to spare you the embarrassment of making more tactless statements, but also because I do not need any lectures from you about Laszlo Rajk, Sr., of whom I have but two-months worth of memories. Throughout my entire conscious life I have worked toward replacing the system that he had joined to serve with a free, more humane form of life. My compensation comes from knowing that my father's name did help to restore some of the damage caused by his ill-conceived service on 6 October 1956, when his funeral set off the revolutionary ferment. Thereafter it was on my own volition, not by looking to the state, that I sought restitution by trying to live as a free man and avoiding any compromises with the system which my father had helped to bring into existence.

Let me put it plainly: Your view of Laszlo Rajk's unlawful execution as something well deserved, as it were, does not portend well for the kind of legality you and your party represent. If there is to be a distinction drawn between one kind of judicial murder and another, then the view of legality of which Laszlo Rajk was an embodiment while he was alive will have been victorious after all to the detriment of the view represented by Laszlo Rajk, Jr.

But as I have mentioned, I trust that we—already? still?—have a constitutional state, so after having read your kind report I decided—solely to set an example—to go ahead after all and claim the Rajk family's share of the restitution money from your budget, which I will pledge to the National Cultural Fund. The reason why I have decided to take this course of action is because if I allowed you to interpret my abstention from claiming restitution as acquiescence to your trendy brand of equality before the law, which in reality is no different from the old practice, then I would in effect be contributing to its entrenchment.

Whatever your response may be, Mr. Zimanyi, I hope that you understand what I am talking about. These days I consider it a major achievement when one's honesty is not misunderstood, only misexplained.

Restitution Plan Defended

91CH0885B Budapest MAGYAR HIRLAP
in Hungarian 2 Sep 91 p 3

[Open letter of reply by Tibor Zimanyi to Laszlo Rajk—first paragraph is MAGYAR HIRLAP's introduction]

[Text] Our editorial office has received the following reply from Tibor Zimanyi to Laszlo Rajk's rebuttal:

It has been almost four years since we first began to demand moral and financial restitution for those who had been sent to prison for political reasons. Now that the time has come to codify that demand—the draft will be submitted by the government to parliament by October the latest—it has turned out that there was a need to clarify the concept of "political reasons."

It was the Independent Rehabilitation Commission, made up of representatives of our four most prominent social organizations, which eventually came up with the formula that has failed to satisfy Laszlo Rajk, Jr. I should say at the outset that I sincerely regret if our debate over this issue appears to have put us on a collision course. For I had always held him in great esteem for his work as a samizdat activist. My respect for him was only heightened by the knowledge that on the occasion of Imre Nagy's reburial on Hero's Square, I was able to speak from the stand which he had designed.

What we are talking about now, however, is our belief that those who had participated in the implementation of repressive measures only to become causalities of interparty strifes themselves, and who cooperated with

and served the occupying foreign power thus helping to preserve Soviet rule for several decades, should not be considered political victims.

Laszlo Rajk is correct to the extent that the statement he had quoted was not completely mine. What I did say, in fact, was that only those whose suffering in some form of captivity had been the result of their struggle for an independent and democratic Hungary deserved compensation.

These are disqualifying reasons of principle. But there is another reason, namely that the former regime did, in fact, revere those whom it considered to be victims of the workers' movement. This meant that they could receive restitution, provided that they repudged their allegiance to the very party that had sent them to prison. Naturally, there were also exceptions. In today's values, the amounts involved were generally in the 1-million-forint range. This is what I would like to call to the attention of those who today oppose or feel squeamish about the restitution claims of political victims.

In the interest of the truth I should also add that the Rajk family had conducted itself in an exemplary fashion by pledging, if I remember correctly, a total of 210,000 forints in restitution payments to benefit the people's colleges.

Most victims, however, receive such small pensions that they will have no other choice but to use the restitution money coming to them for alleviating their day-to-day hardships.

Recall of Defense Committee Head Balogh Urged

Committee Members' Letter

91CH0887A Budapest NEPSZABADSAG in Hungarian
28 Aug 91 p 4

[Article by Tibor J. Keri: "Letter of Recall—Balogh: 'Not Becoming of a Real Hungarian'"]

[Text] Already before the summer parliamentary recess, on 12 June, 13 members of the Defense Committee of the National Assembly had sent a letter to faction leader Gyula Pasztor, urging the Smallholders Party's delegation of deputies to recall Gyorgy Balogh from his office as chairman of the Defense Committee.

Their letter contained the following request: "Inasmuch as the appointment of committee members and office holders falls within the purview of the various factions, we ask the Smallholders Party faction to kindly look into the possibility of recalling Dr. Gyorgy Balogh from his post and nominating an alternate candidate to take his place as chairman. The committee has taken repeated exceptions to Dr. Gyorgy Balogh's activities as chairman (i.e., to his style of chairmanship, the nature of his statements, the withholding of information, the anti-democratic manner in which foreign trips have been organized, etc.), which can be verified by reviewing the

parliamentary records. In the interest of preserving the reputation of the Defense Committee and the Smallholders Party, we ask you, Mr. Faction Leader, to present our request to your fellow faction members.

The letter was signed by 13 deputies: Jeno Poda, committee secretary (MDF) [Hungarian Democratic Forum], Jozsef Annus (MSZP) [Hungarian Socialist Party], Lajos Horvath (MDF), Ferenc Janos Inotay (KDNP) [Christian Democratic People's Party], Kalman Keri (MDF), Peter Koszo (MDF), Peter Madai (SZDSZ) [Alliance of Free Democrats], Lajos Mile (MDF), Andras Paris (SZDSZ), Miklos Szabo (SZDSZ), Laszlo Szendrei (MDF), Sandor Szili (MSZP) and Istvan Toth (MDF). Tamas Wachsler (FIDESZ) [Federation of Young Democrats], who had been away, later indicated that he agreed with the recall initiative. Committee secretary Jeno Poda forwarded a copy of the statement to President of the National Assembly Gyorgy Szabad.

Gyorgy Balogh has assured our correspondent that if anyone had a specific charge against him that could be objectively proven damning, he would readily resign. But a coup and falsehoods spread behind his back will not be enough to force him to resign. He called the charges against him lies and the recall initiative nothing more than a coup attempt. And he simply dismissed the assertion by some of the letter writers that he lacked the necessary know-how and competence for the job. As he told us, he had been a senior lieutenant in the reserves, and had been decorated six times in World War II. For 40 years, he had helped to train reserve officers, and served as head marksmanship trainer.

"Albeit from a minister from the party state, I have received the Defense Medals of Merit awarded after 20, 25, and 30 years of service. I also received the silver of the In the Service of the Homeland Medal of Merit, and was promoted to Colonel by [Defense Minister] Lajos Fur. Besides Kalman Keri, no one can match these qualifications," he said. The gentlemen are wrong. They could have never done this to senior lieutenant of the Royal Hungarian Army Gyorgy Balogh with impunity or without retribution. But now I have nothing to fight back with. My only option is to wait until I am informed of the specific against me. At that point I will draw the necessary conclusions, or prove that my accusers have acted irresponsibly, undemocratically, and in a manner unbecoming of a true Hungarian," stressed Gyorgy Balogh.

We also contacted Gyula Pasztor to outline for us the position of the Smallholders faction, who has told our correspondent that their deputy delegation would take up the Defense Committee's initiative at its 14-15 September session.

'Work Style' Criticized

*91CH0887B Budapest MAGYAR HIRLAP
in Hungarian 29 Aug 91 p 3*

[Article by J. O-V.: "Balogh and the Committee's Criticism"]

[Text] In a letter dated 12 July, 13 members of the Defense Committee requested the recall of committee chairman Gyorgy Balogh. Balogh has called this course of action taken against him an attempt unbecoming of a true Hungarian. We have asked one of the signatories, SZDSZ [Alliance of Free Democrats] deputy Pal Madai, to tell us what specific reasons had led to the writing of this letter:

"I do not want to list isolated incidents here, for what is at issue, for the most part, are the internal workings of the committee and a criticism of its work style. There were two to three days this summer when because of certain pressing problems we thought that the committee would have to convene, for if it wanted to fulfill its role of providing civilian oversight, it needed a constant flow of fresh information. During the summer recess there have been two ominous developments: the Yugoslav civil war and the Soviet coup. I would have expected the committee to convene, but it chose not to. At the same time, following the traditional routine, the body has held a session every week, even when it was not called for. In short, the Defense Committee is still in search of its rightful place, and the right approach to fulfilling its mission. The letter is simply a stop in that ongoing process."

Trade Union Organization Mired in Controversy

Court Rejects Appeal

*91CH0886A Budapest NEPSZABADSAG in Hungarian
30 Aug 91 p 5*

[MTI report: "National Council of Trade Unions' Headquarters: Veto by the Chief Public Prosecutor's Office"]

[Text] The Chief Public Prosecutor's Office has reviewed the documents pertaining to the transfer of proprietary rights from the National Federation of Hungarian Trade Unions [MSZOSZ] to the Frohburg Union, Inc., over SZOT's [National Council of Trade Unions] former Budapest headquarters, and the formerly SZOT-owned trade union headquarters in Eger and Salgotarjan.

In separate agreements, signed on 24 June, the MSZOSZ sold the three real estate holdings, estimated to be worth nearly 734 million forints, to the Frohburg Union Finance Corporation, established with a starting capital of 10 million forints, which paid for the said holdings with notes payable at a later time.

During the registration process the competent land offices moved with special dispatch to enter the new titles in the registry to the benefit of the buyer, and the title entries became legally valid.

The prosecutorial investigation has concluded that the sales contracts used as the basis of the registration of titles are null and void for two reasons.

At its 2-4 March 1990 congress, the National Council of Trade Unions had discussed the future of SZOT's real estate holdings and moved to set up a property management corporation. Accordingly, the registration of proprietary rights over former SZOT holdings in the title registry as belonging to the MSZOSZ, and the sale of those rights by the MSZOSZ, are contrary to the resolution of the congress. This is clearly in violation of proper ethics, which according to the Civil Code is a cause for nullity (Civil Code, Section 200, Paragraph 2).

It is the position of the Chief Public Prosecutor's Office that the contracts are also in violation of other regulations, for as the buyer, the fully foreign-owned corporation could not, under the law on investment by foreigners, obtain proprietary rights to real estate holdings that it does not need in order to carry on the economic activities specified in its articles of association. Therefore the contracts are void also on these grounds.

In accordance with the findings of the investigation—on the orders of the Chief Public Prosecutor's Office—on 28 August, the Budapest Chief Prosecutor's office entered an action in the Capital City Court, recommending that the three sales contracts be declared null and void, and that the proprietary relationships that existed prior to the signing of those contracts be reinstated.

Temporary Cooperation Urged

91CH0886A Budapest NEPSZABADSAG in Hungarian
30 Aug 91 p 5

[MTI report: "Arbitration Council: Who Should Bury the Hatchet?"]

[Text] The trade unions should bury the hatchet until the debate over the draft of the vitally important Labor Code is completed, suggested Laszlo Kiss Papp, president of the Trade Union Association of White-Collar Workers at Thursday's session in Budapest of the employee side of the Arbitration Council, taking his turn as council president. They should put aside all differences until then because far more important than the struggle among unions for position is to ensure that a new Labor Code, acceptable to the working people, is put into place as soon as possible to govern basic labor rights.

The league's representative responded that "burying the hatchet is an illusionary dream, a naive wish, but negotiations could begin about which parts of the hatchet could be pushed underground." The representative of the National Federation of Workers' Councils also expressed certain reservations about the proposal, but in the end the league agreed to submit the moratorium proposal before its leading body. The representative of the MSZOSZ was on the opinion that before the confederation committed itself to anything, it had to clearly define what this moratorium really meant. The

MSZOSZ representative also agreed to submit the proposal to his union leadership.

The draft Labor Code will also be on the Arbitration Council's agenda for Friday, when union representatives will get a chance to learn about the position of the government and the employers in more detail. Afterwards, however, further expert negotiations and coordination will be needed among employees, employers and the government, to be followed by another plenary session of the Arbitration Council to discuss the draft law.

It was announced at the meeting that—contrary to earlier announcements—Friday's session of the Arbitration Council would not be taking up the issue of the 1991-1992 property policy guidelines, because the Ministry of Finance and the State Property Agency believed further preliminary coordination was needed on the matter.

Five-Party Agreement

91CH0886A Budapest NEPSZABADSAG in Hungarian
30 Aug 91 p 5

[Article by A.ZS.: "Five-Party Agreement on Trade Union Elections"]

[Text] Yesterday experts at the interparty coordination talks on labor relations met to discuss the possibility of drafting a law to govern interunion elections. With the exception of the MSZP [Hungarian Socialist Party], representatives of parliamentary parties signed a joint communique calling on the trade union confederations participating in the Arbitration Council to prepare their respective interunion election plans and submit their proposals to the parties by 15 September.

SZDSZ [Alliance of Young Democrats] spokesman Gyula Teller pointed out that our economic laws so far have failed to provide for legal regulations of labor and the institutions connected with it. Although the six-party coordination did not get far with respect to the establishment of labor institutions, the participants did make their positions clear. The outlines of the factory councils' election system, however, are beginning to take form. Gabriella Farkas, vice president of the MDF [Hungarian Democratic Forum], stressed that they did not wish to draft statutes affecting the trade unions, acting over their heads; instead, they counted on the unions' active participation in drafting such laws. The chief reason for having called this interparty coordinating meeting, she said, was to allow the factions to gather concepts already discussed by experts in order to simplify and speed up the legislative process.

Speaking on behalf of the Socialist Party, Sandor Csin-talan explained that the reason why they did not sign the communique was because they did not want to curtail the organizational freedom of the trade unions. According to him, the greatest accomplishment of yesterday's talks was that in the future, when discussing the

need to draft laws to govern democratic institutions at the work place, every participant will want to do so within the context of the overall picture. He also added that in his opinion a kind of clique has been formed, reaching across party lines, and characteristically anchored in the parliamentary factions of the two largest parties, the MDF and SZDSZ. Their aim was to gain additional resources by extending their influence over certain trade unions, and by gaining a foothold in the factories, insisted the MSZP's expert.

Television Broadcasting Via Satellite Considered

*91CH0883A Budapest NEPSZABADSAG in Hungarian
28 Aug 91 p 5*

[Article by Kalman Soos: "One From Land, One From the Sky; Hungarian Television Program Via Satellite"]

[Text] There is growing interest in Hungarian Government and professional circles in the idea of broadcasting a national television program via satellite. The most difficult problem to solve seems to be the issue of funding, but it is conceivable—as it has already been reported in Tuesday's issue of UJ SZO, published in Slovakia—that by next year, all residents of the Carpathian basin will be able to receive Hungarian programs with a satellite dish.

As we have learned at the Ministry of Transportation, Telecommunications, and Water Management, they have been conducting a multifaceted study of the idea, learning already that the biggest challenge will be to find ways to ensure steady funding, and coming up with the necessary resources to cover the cost of the initial investment. Hungary has an assigned satellite position over the equator, sufficient to transmit up to five different programs; for now, however, sending up our own satellite seems to be a little unrealistic. It would be much easier to lease a channel on an already orbiting satellite, for which there are several possibilities. According to the ministry, the frequency moratorium does not apply to Hungarian Radio and Television, hence this cannot be an obstacle.

As it was also reported in UJ SZO, speaking before the congress of the RMDSZ [Democratic Federation of Hungarian Romanians], minister without portfolio Balazs Horvath discussed efforts under way to provide Hungarians beyond our borders with high-quality reception of Hungarian television programs via the "sky." We have information that the proposal also has the backing of officials within the Foreign Ministry.

Miklos Haraszt, parliamentary deputy of the SZDSZ, has even raised the possibility of dividing transmission time between two programs:

"Already three months ago, I suggested to my colleagues in the cultural committee that we should have one of the programs of Hungarian Television broadcast by satellite, and the second one through an earth-based network of stations. The core network of earth stations thus freed could be sold for commercial television use."

From Gabor Jasz, section head at the Hungarian Broadcasting Enterprise, we learned that his enterprise would gladly accept the challenge of organizing satellite-based broadcasting, and they have even drafted a proposal to present to the competent ministerial organizations.

"I also feel that presently our only option is to lease," confirmed the ministry expert. "The parameters of the second-generation satellites of the French Telecom and the soon-to-be-operational second satellite of the German Copernicus system are not yet known. So in my opinion our most expedient option is to lease a channel on one of the satellites of the Eutelsat system. Reception will require the use of uniform-sized 120-centimeter diameter parabolic dishes everywhere within the parameters of the footprint. Should Hungary decide to join Eutelsat, it will have to pay a membership fee, still the one-year lease on this satellite would be cheaper than if we were to sublease a channel from another membership organization. The annual lease within this organization is about \$4 million.

In addition to the leasing fee for the satellite channel, we have learned that we would also need to earmark at least another \$4-5 million dollars in investment expenditures for the establishment of an uplink earth station; draft appropriate regulations to govern television program royalty rights; and budget for unanticipated future expenses. For it makes a big difference whether the films we purchase or produce are intended for domestic use or broadcast receivable in a significant portion of the continent.

Religious Community Priest on Church Mistakes

*91CH0895A Budapest TALLOZO in Hungarian No 34,
22 Aug 91 p 1,602*

[Article including interview with Religious Community Priest Gyorgy Bulanyi by Endre Csudai; place and date not given: "Father Bulanyi's Expectations"—reprinted from KISALFOLD 13 Aug]

[Text] The other day Tamas Nyari, retired professor of the Peter Pazmany Academy of Religious Science, was questioned on radio on the occasion of the pope's upcoming visit. The responses given by this man of the church must have come as a surprise to thousands of uninformed listeners, who (like me) have been the products of the party state: The Hungarian Catholic Church needs to finally adopt the tenets of the Second Vatican Council. The time has finally come for us to promote expiation and reconciliation within the church.

Reconciliation. What a simple notion. A few weeks ago I was in Balatonfelvidek visiting with a reconciled and expiated but clearly unwavering and unwavering man, Father Gyorgy Bulanyi. It is as if since the political system change he suddenly became shrouded in silence.

"Political system change?" he asked with a gentle smile. "Did it already occur? And how can you prove it?"

"Here is Father Bulanyi, for example. No one is standing in your way...."

"I am still not allowed to celebrate mass," he replied with the same gentle look in his eyes. "At one point I was sentenced to life in prison. Why? Because I had turned down the opportunity to make my livelihood in the manner offered to the church by the communist regime, whose real aim was to destroy the church. Because I refused to accept the notion that you could simultaneously commit yourself to Jesus and at the same time also pledge to kill people. Starting from the 1970's, 25 members of our Bokor basic community spent up to three years each in prison for refusing to perform armed military service. Things eased in the wake of that memorable trip to West Germany by Grosz and his entourage, following which they called on Paksai's people to request the introduction of alternative service. Paksai obliged, even though he personally did not consider this to be the Catholic position. Don't believe for a moment though that with everything that has happened, seminarists today are free to opt for unarmed service. No, they continue to have to serve in the armed branches. And do you know what the church's justification is for backing this policy? The need to guard the seminarists from being led into temptation, working around nurses...."

[Csudai] Isn't the reason why they have chosen this argument to counter the belief still held by many in Hungary, that the church is a hypocritic institution? "They do not practice what they preach," people are saying, "just like before." Many believe that the biggest mistake the communists had made, and the main reason why they have failed was that they turned high ideals into rigid dogma, and thus created a sanctimonious hierarchy—just like the church.

[Bulanyi] Look, it is quite true that I have never heard anyone heaping insults on Protestant ministers, only on Catholic priests, even though I can guarantee you that the Catholics are more devout. I have heard four main charges levelled against Catholic priests while working as a furniture mover in Budapest: that they ate sausage on Good Friday; that they were seen leaving through the windows of young housewives; that they refused to bury grandmothers if they were poor; and that they beat their pupils bloody in religion classes. The causes of these negative feelings stem from the privileged position which the Catholic Church had historically enjoyed. The image of the priest as the foremost landowner of the village in earlier times has remained vivid throughout the past 40 years. During the period of communist persecution we had an opportunity to reverse this image by returning to the basics.

[Csudai] To primitive Christianity?

[Bulanyi] To Jesus. To the way in which a 30-year-old carpenter was able to convert 12 teenagers into disciples. Because he had so much to give....

[Csudai] Of what?

[Bulanyi] Of love. Instead, what many in the church seem to be preoccupied with is how to recover as much as possible of their old privileges. Jesus had worked without any privileges. He did not even own any buildings; all he had was endless love. Everybody would like to have a wiser and more competent brother who could help him without wanting to take control. Everybody would like to be able to stand his own ground. To have the freedom to decide for himself which cause to support. Only if treated with respect can people be influenced. A person whose hands are slapped every time he is found to be unfamiliar with the dogma, and whose every question is met with a standard official response, will eventually stop trying. This is how confirmation has come to be looked upon today as a ritual to "sanction the forsaking of church attendance." The generations between the ages 10-50 are virtually completely absent from the churches. We must return to Jesus. The church will have a future as soon as people start perceiving it to mean the collective spirit which Jesus had created. Simply getting the buildings back will not do us much good. Once our work starts requiring buildings, I am certain that we will have them.

[Csudai] And what will happen to Bulanyi? Is anyone keeping tabs on him?

[Bulanyi] Responding to an invitation in January, I was able to travel to Rome, where I had a chance to meet with the prefect of the Theological Congregation Cardinal Ratzinger and State Secretary Sodano who had taken the place of the retired State Secretary Casaroli. Ratzinger asked me to "take a step"; Casaroli had asked me to apologize. They promised that something would be done by the time of the pope's visit. Of course, a church with 2,000 years of experience knows well that there is no reason to rush things. An infallible church cannot afford to admit that it made a mistake. It would have very uncomfortable repercussions. They must feel uneasy knowing that it was on the orders of the communist system that they kicked me when I was down. They must feel uneasy about having abandoned the "listening church" policy of Pius XII, only to realize that they did not need to. They must feel uneasy about having to explain how after the 1964 compromise, when only peace priests could become bishops, resistant clergy suddenly came to be referred to as disobedient renegades.... They must feel uneasy when reminded that ignoring the tremendous opportunities, enormous personnel resources, and creative forces available to us after the war, they chose to stand by as the party "helped" to gradually turn away the faithful...."

Reconciliation. It may not be such a simple notion after all. Father Bulanyi did not mention it once. Only I have asked myself spontaneously: Does this mean that the guiltless are now expected to bow before the misguided? Is this what is meant by returning to Jesus, or should the sinners be appealing for absolution?

This is the big question awaiting to be answered during the pope's upcoming visit, and this, I believe, is the issue Father Bulanyi is expecting to be resolved. Will the Holy Father be bringing absolution with him to Hungary, and if so, for whom and from what?

Center Accord Leader on Program, Coalitions
*92EP0006B Warsaw TYGODNIK SOLIDARNOSC
 in Polish No 34, 23 Aug 91 pp 1, 6, 7*

[Interview with Senator Jaroslaw Kaczynski, chief of Presidential Chancellery and Center Accord chairman, by Wojciech Gielzynski and Jozef Orzel; place and date not given: "I Want To Seize Upon Public Discontent for the Sake of Reforms"]

[Text] [TYGODNIK SOLIDARNOSC] Generally, the people are centrists; therefore the Center Accord should be accepted by the people at large. Meanwhile, this is not the case. Why?

[Kaczynski] Because since the inception of the Center Accord we have been portrayed as political adventurers, and a segment of our society mistook this for a fact. The problem of a sensitive nature is also a factor: A few people joined us who make a fuss in the voivodships and want to replace someone in the local authorities all the time. We try to control such endeavors....

The Center Accord emerged as an alternative force. Therefore, it is obvious that many dissatisfied people joined us. However, we are not a party of frustrated people who are not allowed into salons. The latter are not all that refined, and we are not too eager to attend the salons either. Extreme views threaten our centrist nature. This is part of the reason why I resolutely come out against forming an alliance with the ZChN [Christian National Association]. We must reinforce the centrist nature of the Center Accord.

[TYGODNIK SOLIDARNOSC] Within a couple of months, you became famous as a politician, you were very successful, and later you ran out of aces. Why?

[Kaczynski] Both I and my political party have come out against the mightiest forces in the country, against the camp of the "thick line." We stand alone against all, like Solidarity did before. We are under very harsh attack. Meanwhile, it is the other camp that controls the press, radio, and television.

It is very easy to attack me because "sock it to the twins" is a very neat slogan. My brother Lech played an important role in fighting "the thick line" when he was a leader of Solidarity; he is not actually a member of the Center Accord.

[TYGODNIK SOLIDARNOSC] However, why do these attacks cause a favorable response from so many people?

[Kaczynski] We disrupted public peace after the victory of Solidarity. The people thought that we would win and it would be better right away, but it was not. The supporters of Solidarity had a well-structured picture of the world on their minds. Lech Walesa was the leader, and Geremek and Mazowiecki were under him. Almost no one knew about arguments between them. All of this was so peaceful, but we shattered it. We created tensions, discord, and the need to choose. The people do not like

it. They do not like when the existing and accepted hierarchy is called into question.

[TYGODNIK SOLIDARNOSC] Is it not the case that you are winning your political contest but the Center Accord is losing the support of the public?

[Kaczynski] I am not winning at all because ending this contest is not up to me. We lost the battle over a date for parliamentary elections in the spring and election law, we lost on the issue of a coalition with Solidarity and the peasant movement, and we did not succeed in creating a political division standing on two "strong feet"—center right and center left. There is the center right (the Center Accord), but there is no center left.

[TYGODNIK SOLIDARNOSC] Should you not expect that divisions in the Solidarity camp will have bad consequences, and that the people desire stability and peace?

[Kaczynski] Indeed, perhaps, I should expect, and I did expect to a degree. I knew that I was taking a risk, but this appeared worthwhile. The division had to be accomplished. The country was threatened by a monopoly on power on the part of a narrow, elitist left-Solidarity group which was isolated from society, because this group offered a suicidal path for accomplishing reforms. The elites headed by the Warsaw-Krakow salon were to lead, and society would be powerless, robbed of its own will, and deprived of leaders because leaders would be on the other side; they would govern society.

This would have lasted for a while but later counter-elites would have begun to form that would have headed a movement directed against reforms. Our concept of the center-left and center-right was based on the fact that if one of them should rule the other one would seize upon public discontent, but in a proreform spirit, in the spirit of accelerating the reform.

[TYGODNIK SOLIDARNOSC] Do you have any proof of that?

[Kaczynski] Yes. When Walesa was in the United States a strike broke out in the Gdansk Shipyard. It was taken over by the new Free Trade Unions and not by Solidarity 80. Even the latter did not represent the highest degree of radicalism in the Solidarity camp. It is possible to go further yet. We may draw on the mood of August 1980 and impart it to young people, offering claim-oriented slogans which are at the same time antireformist. Meanwhile, radical organizations exist not only in the Solidarity camp but also on the other side, and the OPZZ [All-Polish Trade Unions Agreement] is only one of them. Therefore, the concept of a monopoly by elites was a direct route toward a head-on collision and a disaster for reforms.

[TYGODNIK SOLIDARNOSC] Allies are needed in order to wage effective political struggle. The Center Accord has lost a lot of them. Why did the alliance with the Liberal Democratic Congress fail to work out?

[Kaczynski] What we had with the congress was a marriage that was not consummated. Our programs differ in principle. We believe that capitalism cannot be built on the basis of late communism, in the absence of a radical restructuring of the state, the economy, and society. The arrangement between the Center Accord and the Liberal Democratic Congress continued for as long as the Liberals failed to notice this difference. They wanted to latch on to something bigger because they were a small, insignificant group. They left when they became convinced that they could navigate on their own from that point on. This became possible when they got to lead the government. However, we did not lose by virtue of this divorce because this was not a political ally of ours.

[TYGODNIK SOLIDARNOSC] However, during the presidential campaign they supported Lech Walesa, and as a reward he gave them the government. After all, they did not belong to the "thick line" camp. What about now?

[Kaczynski] Now they belong to it. The Liberals believe that the current state of affairs cannot be avoided, that we can only live with it and administer it. If someone has money we should sell to him privatized state enterprises, even if this is a nomenklatura partnership which was formed as a result of taking over state assets for a pittance. The Liberals carry on the policy of counting on a miracle, on the financial policy and the tax press alone building a free market in the absence of restructuring the economy and breaking up monopolies and arrangements. Yet, a free market will not be built all by itself, and this is visible to the naked eye. The economy is collapsing, but it is not reforming. The Liberals are aware of the money, the taxes, the customs duties, and the percentages. They are not aware of the fact that privatization is carried out by people, and that the people should be interested in it. They are not aware that the economy is a social process, that the state must help the people so that they can restructure the economy and would want to do it.

[TYGODNIK SOLIDARNOSC] Some of the Christian Democrats left the Center Accord.

[Kaczynski] The party had to be consolidated because otherwise we would have a complete split by now. We could not maintain separate, tightly knit groups that treated the rest of the party as something alien. For example, they would not handle the pressure that is currently being entailed by drawing up the list of candidates for parliament. Had we not parted ways the party would have survived only until the elections and would have fallen apart later.

[TYGODNIK SOLIDARNOSC] A coalition with the peasant movement was not successful.

[Kaczynski] This was a substantial loss. However, by now it has turned out that nobody is in a position to come to an agreement with them; even the movement itself is not in a position to come to an agreement with

itself. A regional, community-based point of view dominates in the peasant movement. This results from a very difficult situation in rural areas.

[TYGODNIK SOLIDARNOSC] There will not be a coalition with Solidarity either.

[Kaczynski] Unfortunately, Solidarity went into politics, in the direction of transforming itself into a political party. In essence, it resolved to run an unrestricted slate of candidates for the parliament and banned the inclusion of the members of the political parties on the list. In other words, Solidarity itself became a party. This will destroy the union and diminish its trade-union function. It may also bring about a political schism because political views within Solidarity differ. Solidarity may also be divided into a trade union and a political party. What will such a trade union be about? Will it be a new OPZZ, God forbid?

[TYGODNIK SOLIDARNOSC] Is this a loss for the Center Accord?

[Kaczynski] This is primarily a loss for the country.

[TYGODNIK SOLIDARNOSC] The Center Accord lost a lot; therefore, what remains?

[Kaczynski] A lot more remains than we lost.

[TYGODNIK SOLIDARNOSC] Why did the left foot, to which Lech Walesa referred, not appear? Why did modest center-left Social Democrats not appear along with the center-right? In that case, the political system would have been stable.

[Kaczynski] That was what we wanted. The Center Accord appeared in order for the left or the center-left to have a serious adversary rather than the ZChN. I do not feel responsible for what goes on on the other side, but I do observe the growing rapprochement between the Democratic Union and the post-Communist groups with growing amazement. The left element clearly dominates the centrist element in the Democratic Union. This removes us further from the "German" arrangement: The center-left and the center-right with Liberals in between.

[TYGODNIK SOLIDARNOSC] What is next?

[Kaczynski] The presidency of a French type is becoming necessary in order to ensure the continuity of power and reforms. The adopted law on elections to the Sejm does not advance us on the road to such a presidency. We did not succeed in accomplishing many things, but attitudes born at the "Roundtable," attitudes of the "thick line" are to blame for this.

[TYGODNIK SOLIDARNOSC] Therefore, was the price of divisions too high?

[Kaczynski] No, due to the divisions, we avoided a catastrophe which would have occurred as early as the late fall of 1990. This catastrophe was delayed by the

presidential election which we had to fight for. The Solidarity left did not want to allow anybody to take power. They believed that they were simply entitled to power, and not just for a moment but for 10 to 15 years.

[TYGODNIK SOLIDARNOSC] The Center Accord has become a Christian Democratic party. Meanwhile, the influence of the Christian Democrats before the war was small. In addition, the stock of the church is also going down now.

[Kaczynski] We did not count on an entrenched tradition of Christian Democracy among the people but rather on an entrenched Catholic tradition, on what may be made into Christian Democracy. The Solidarity faction which was the largest in terms of numbers, though not the most influential, was such a Christian Democratic movement. However, a modern Christian Democratic [party] is yet to be created.

[TYGODNIK SOLIDARNOSC] Why do we need a Christian Democratic party in Poland?

[Kaczynski] For example, it is necessary to stop an anticlerical and anti-Church offensive, which is being conducted with some success, because it represents an attempt to preserve the domination of the left. The ZChN will not be able to defend the church because it is anachronistic and is rejected by a majority of our society. This may only be done by a Western-style Christian Democratic party which is attached to European structures. We have an observer status in the international alliance of the European Christian Democratic parties, and we will become its members after free parliamentary elections are held. This Christian Democratic alliance along with the socialist alliance is one of the two most significant political or political-economic alliances in Europe. Polish groups who do not identify with significant groups in Europe do not bring us closer to Europe.

[TYGODNIK SOLIDARNOSC] The Center Accord defends the church. However, the sympathies of the church are mixed.

[Kaczynski] The church does not make decisions on providing political support. Our defense of the church is ideological rather than opportunistic.

[TYGODNIK SOLIDARNOSC] Why did the Center Accord fail to go for a coalition with the Liberals and the Union in elections to the Senate? Does this not present an opportunity for, for example, the Tyminski party?

[Kaczynski] The reason is that we are too different. We are the ones seizing upon public discontent, and we are supposed to win it over—however, for the good of reforms.

[TYGODNIK SOLIDARNOSC] Let us move on to the "affairs." What about the Zalewski case?

[Kaczynski] There is no Zalewski case. He did not exceed his authority; he did not break anything; he did not say anything he was not supposed to say; he cannot

be blamed for anything. However, the Zalewski case exists in the sense that it was prepared against him and my brother before a trip to the United States. KURIER POLSKI attacked both of them. Yet, my brother finally did not go to the United States. Therefore, the affair was set in motion in advance, without even the facts being verified.

Worse yet, it is apparent that some people approach Polish foreign policy and Polish security in a factional and partisan manner.

[TYGODNIK SOLIDARNOSC] Specifically who?

[Kaczynski] For example, Deputies Bronislaw Geremek and Barbara Labuda. Both of them did not check out the facts and proceeded from a false press report. They proceeded from this as they attacked the President's Office and his jurisdiction.

[TYGODNIK SOLIDARNOSC] However, this was not the end of the offensive by the "thick line" camp. The economic operations of the Center Accord were the second act.

[Kaczynski] If someone wants to altogether reject capitalism, the free market, and competition, then all economic operations, including those by political parties, are swindles. If party operations are not restricted to speeches made on street corners such a party should have funds for operations. Democratic parties should have an economic base of support because the parties of the old coalition have such a base, and a tremendous one at that. Attacks against our companies and foundations are made, among other things, in order to deprive us of an opportunity to create material foundations for our operations, thus maintaining the domination of forces which already have such a base. However, nobody attacks them on this account. Economic operations by the Center Accord do not result in profits for any one person. They should benefit the party rather than its functionaries.

[TYGODNIK SOLIDARNOSC] Other parties including those from the Solidarity camp do the same thing. Are you going to point it out to them?

[Kaczynski] We do not want to be the only one to stand accused. However, this begs a question of whether it makes sense to mutually "compromise" each other. We believe that it does not make sense. However, unfounded attacks against the Center Accord will not go unpunished.

[TYGODNIK SOLIDARNOSC] Is the Center Accord in favor of deputies or state officials owning shares of companies?

[Kaczynski] State officials should not own shares because power over the economy and economic operations should not be combined. However, this is not the case with the deputies. After all, many politicians in the West are businessmen also, whereas such a ban would

make it impossible for businessmen to operate as deputies. Their influence on economic policy would be exercised in an informal and illegal manner.

Throughout the world, political parties are associated with economic arrangements, including left-wing or even communist parties—for example, in Italy.

Korwin-Mikke: Insurance Collapse Inevitable
*92EP0006A Warsaw PRZEGLAD TYGODNIOWY
in Polish No 37, 15 Sep 91 p 5*

[Article by Janusz Korwin-Mikke, leader of the Union for Real Politics: "A Bomb Ready To Go Off"]

[Text] I admit that I am writing this text under the influence of emotion. I am gratified that everything I have been writing for years is coming true. What I have been predicting for years, for example, in the brochure "Insurance" (four underground editions between 1978 and 1984)—the inescapable fall of comprehensive and compulsory state insurance—has already begun. I would ask that you remember this well: Several years from now, this system will begin to collapse in Sweden, Germany, and even in the United States. This will be the real end of socialism, a system that has produced the worst coercion of all, that of insurance.

Dismay is an emotion as strong as my own satisfaction. At the time, I should still be able to cope with the breakdown of the system. However, when I look at the ignoramuses who rule us and in general, the amateurs who rule the Atlantic democracies, I am certain that they will NOT cope. The consequences of the breakdown of the insurance system will be horrifying, at least for the interested parties. In a dozen or so months, these consequences will become fully apparent.

The insurance system has already eroded the entire tissue of society like cancer. It is virtually impossible to remove this cancer without disrupting the live, healthy tissue. However, it is still possible to perform this operation with minimal losses. Several years from now, when it turns out that the system not only lacks money but, in addition, is in debt, it will be too late for salvation.

So much about the West. In our country this has already happened, and we should be talking about saving people rather than saving the system. The insurance system had to fall apart because it had three basic shortcomings: It was compulsory, it was a monopoly, and it was operated by the state.

It is obvious that when someone, be it the PZU [State Insurance Bureau] with the OC [expansion not given] or the ZUS [Social Security Agency], has clients without winning them over he will neglect the clients. From the point of view of a ZUS official, any retiree or annuitant is a fraud who is a drain on his coffers. However, on the other hand, these are not the coffers of the official but rather state coffers, and therefore belong to nobody.

Therefore, the ZUS and the PZU cannot but make two kinds of mistakes continuously.

—Provide benefits that are too small for people who are entitled to them.

—Provide benefits that are too large for those whom officials like (to be liked, one may give a bribe, one may appeal for compassion, or finally one can simply have common acquaintances).

It is obvious that some receive retirement benefits that are too low because there is no money, and there is no money because others have swindled for themselves retirement benefits that are too high. It is obvious in dealings with the PZU, some have to pay money out of pocket for repairs whereas others bamboozle inspectors and even make money off of their accidents.

The insurance system is by its very nature a system generating crime. Its creators should end up in criminal detention on many charges, from incitement of murder to public endangerment. Murders of insured relatives, arson of insured homes, planting on the flood plain, and corruption among doctors issuing certificates [of disability] are all the fruits of an immoral system. Meanwhile, everything that is immoral must come to a sorry end at some point by the very definition of immorality (had something ended well we would have called it "moral")!

Since this immoral business was operated by a socialist state, it was initially operated kindly and ineptly. As time went by and a shortage of funds developed, the socialist state stopped being kind at times. After all, as Alexis Tocqueville wrote a century and a half ago, "there is no atrocity or injustice that an otherwise moderate and liberal government would not commit when it lacks money."

Meanwhile, it was precisely the supposedly "liberal" government that came to lack money, and a lot of it. Perhaps, if it were not for control by the socialist parliament, the government would somehow cope. However, in the current state of affairs it has been backed up against the wall, and it is going to bite.

There are no doubts as to this. As little as two weeks ago, the parliament was forcibly foisting emergency powers on the government. At the time, Mr. Bielecki announced that he did not want such powers. Now, he is threatening to resign—perhaps if he fails to get such powers? This has not been said clearly but perhaps it is so. Some people called such vacillation infantile. I believe that this is not childishness but rather perceiving what the government has really inherited after the Reform regime, National Socialists, and Communists (the "rosy ones," from under the banner of Mr. Mazowiecki, may be omitted; they did not spoil anything because they did not have time).

We need to appreciate that the debt of the Polish state to retirees and annuitants, that is to say, obligations which the state assumed, exceed the foreign debt of our state by a factor of several dozen!

Here is another illustration of the scope of the problem: In 1990, when the Balcerowicz plan was being introduced, the interest rate was increased in January to 40 percent on a monthly basis (!). In February, it was 29 percent, unless I am mistaken. At the same time, the parliament allocated compensatory adjustments for retirees and annuitants. At the time, the ZUS, the post office, and the banks delayed the payment of these adjustments by a couple to a dozen or so weeks. The amount which the retirees lost at the time also exceeded foreign "aid" many times over. In addition, foreign aid as a rule consisted of loans, whereas the government never repaid the money stolen from old people and the handicapped, and will never do so. If Messrs. Bagsik and Gasiorowski are supposed to go on trial for taking advantage of the sluggishness of our banks and appropriating \$100 million, where should those who looted almost 1 billion end up? Let me note that our code says expressly that (Article 120) that misappropriation of assets means securing financial benefits for oneself or someone else.

The government is now announcing that it will cut back various categories of benefits. I will note that I have repeatedly written and said that those who agree to the authorities increasing retirement benefits and annuities also agree that the authorities will reduce them.

However, this announcement is unlawful. It rests on two bases: First, this is explained by a shortage of money rather than "fairness." This means that either benefits were paid unfairly until now, or they are going to be taken away unfairly at this point. Second, this is being done collectively. It is an entire category of retirees or annuitants that is going to lose benefits rather than a pseudo-retiree who has obtained benefits by fraud. What are those who are entitled to the benefits guilty of?

In the future, the only way out is to entirely exclude the state from the insurance "business"—a business that it has ruined with its characteristic talent.

Meanwhile, contributions paid in by retirees over several dozen years were used as investments in the state industry. This industry is what it is, but it is worth something after all.

This is why enterprises cannot be sold in their entirety! We should transform them through legislation and without discussion into state capital partnerships, and subsequently transfer about 30 percent to the Pension Fund, which will be independent of the state. Retirement benefits and annuities should be paid from the dividend on these shares. In this case, no Sejm, Senate, or another democratic institution will be in a position to lay its dirty hands on it.

Subsequently, people of preretirement age would be allowed to receive shares from this fund in return for them giving up state pensions (of course, provided that they so desire!). As far as retirees are concerned, these shares would be sold to private insurance companies, as was done in Chile under General Augusto Pinochet. In this case, the state would not longer be interested in paying the retirees as little as possible. It would become a fair judge in disputes between private retirees and private companies.... This should be the regular state of affairs, and it was so until the state interfered.

And yet, why should we not allow retirees to do that for themselves? Because the fund yields average profits, whereas individual shares may appreciate or altogether plummet to a zero value. It is hard for retirees who are no longer participants in the economic game to have a good knowledge of business. I remind ominously, as Cassandra: If the state sells all the shares retirees will be left at the mercy of their master. Meanwhile, the master's mercy is here today and gone tomorrow.... The retirees have already gotten a foretaste of this. What is coming will be incomparably more horrifying.

Several or perhaps a dozen or so months remain until the catastrophe.

German Minority Issues in Opole Stabilizing

*91EP0695A Munich SUEDDEUTSCHE ZEITUNG
in German 2 Sep 91 p 3*

[Article by Thomas Urban: "Upper Silesia: 'We Just Want To Show That Germans Live Here'; Although Old Resentments Have Not Yet Disappeared, Cooperation Between Germans and Poles in Opole Is Making Headway"]

[Text] Prudnik, August—The inhabitants of Zlotniki really had not expected that much turmoil. The curious come from far and wide, stop at the village square and take pictures. In the past, hardly anyone stopped here. But since the local council of the village, which is located 10 km south of the Upper Silesian voivodship capital of Opole, has had the war memorial renovated and reerected, there has been some excitement. The memorial dates from the 1930's; the German inscription reads: "To our fallen heroes 1914-18." Below that, in chiseled granite, a dozen names are listed. But the local politicians, among whom the representatives of the German Friendship Circle [DFK] of Goldenau have the absolute majority, had another granite plate attached with the names of the local inhabitants who were killed in action in World War II.

"Quite simply, we want to show that Germans are living here," a member of the local council says and adds mischievously: "Let the Poles get angry about that if they want to." The village, numbering 350 inhabitants, on the road to Prudnik, the former Neustadt, was called Goldenau before the war. To protect themselves on all sides, the citizens of Goldenau, as they call themselves, placed two flagpoles next to the memorial: one for the German

flag and one for the Polish flag. After a few days only shreds of the black-red-gold flag remained. "A gang of Polish roughnecks from Opole tore it down at night," a woman living on a farm across from the memorial says. To have peace and quiet the municipal representatives had the flags taken down.

Pulling in the Same Direction

Small incidents of this nature are also being reported from other villages in the eastern half of Opole Voivodship, where the German minority constitutes the local council majority in 25 localities, an almost uninterrupted settlement area. Some village administrator had place name signs put up with German and Polish names or even only with the official designation from the time prior to 1945. The authorities in Opole ordered the removal of the signs at the expense of the mayor. Some of them refused to pay the bills. As a result the windows were smashed in several DFK offices. In the town of Glogowek, for decades referred to as "Little Berlin" even by Poles on account of its large share of Germans, the display cases of the DFK were torched.

In spite of the pinpricks in both directions, neither the ethnic Germans nor the Polish regional politicians expect serious conflicts between the ethnic groups. For one thing, the governments in Warsaw and in Bonn are pulling together: Since the people are to remain where they are, both are interested in the development of the Upper Silesian region and are generous with subsidies. On the other hand, no clear dividing lines can be drawn between Germans and Poles—they have intermarried for generations. Some of the inhabitants of the region simply refer to themselves as Silesians (Polish: Slazacy), but just as many people in the Opole region attach importance to the assertion that they are German or Polish Upper Silesians. All of them have the Catholic religion in common, as well as the Polish language as their everyday language. Polish last names predominate among the ethnic German Upper Silesians. But the thesis held by Polish scholars and politicians that the Polish last names prove that this involves "forcibly Germanized Poles" is strongly rejected.

"All we need now is for them to tell us that the famous soccer players Grabowski and Tilkowski or the SED (Socialist Unity Party of Germany) figures Schabowski and Schalck-Golodkowski are also Poles," says a town councilman of Glogowek. They are probably descended from Polish immigrants, but their families undoubtedly considered themselves for generations to be Germans. The same holds true for the Upper Silesians who are now again permitted to avow their Germanness after decades of repression since the war, a period during which it was a punishable offense to speak German in public. Older people report again and again about the same experience: "The Polish militia, the party people listened even at the shutters to find out if we spoke German at home." Children had to speak Polish, otherwise they were mistreated in school and were not promoted, Jan Borsutzki, the mayor of Glogowek recalls. After the war when the

Poles arrived in the wake of the Red Army and drove out a large part of the inhabitants, he was 12 years old and did not speak a single word of Polish, he said.

Borsutzki, like thousands of Upper Silesians, relies on the right to write his name again in the old way, which is also provided in the mutual relations treaty sealed by Bonn and Warsaw. A year ago his name was still spelled "Borsucki." Others also go through an expensive official proceeding to have their first names converted into German: Jan becomes Johann, Henryk becomes Heinrich, Andrzej becomes Andreas. Mayor Borsutzki and his council members say with satisfaction: "Our children will be Germans again."

Intensive instruction in German is to see to that, not only at school, but also in private circles. Until last year German was not permitted to be taught in Upper Silesia. The first noncommunist government since the war, headed by Tadeusz Mazowiecki, ended the disregard of the German minority. During the party rule, ethnic Germans, just as the Upper Silesians who regarded themselves as an independent group between both cultures, were officially called "autochthons." Mazowiecki's successor, Jan Krzysztof Bielecki, as first Polish head of government, traveled during the summer to meetings with representatives of the German minority in Opole Voivodship; during his subsequent visit to Bonn several of them were part of Warsaw's official delegation.

"In Warsaw they seem to have recognized that we, with our bilingual ability, can really act as a link," Borsutzki thinks and finds approval for this statement on the part of several council colleagues. At a conference of the mayors of six towns and villages in the southern part of Opole region all agreed that after last year's border discussion and the conclusion of the treaty that establishes Poland's western border at the Odra and Nysa rivers, life has to go on despite personal disappointment and bitterness. But an older council representative says in retrospect: "How is it possible for those in Bonn to give away land that doesn't belong to them?"

The invitations to the conference had been issued by the homeland circle of Neustadt, which belongs to the Federation of Expellees [BdV]. The mayors represented the communities which belonged to the Kreis of Neustadt/Upper Silesia before the war. What is remarkable is the fact that two of them are Poles, Jan Roszkowski, mayor of Prudnik (formerly Neustadt) in which only 2 percent of the population call themselves Germans, and his colleague from Lubrza (formerly Leuber). Neither of them is worried about contacts with the BdV. The chairman of the homeland circle of Neustadt, Hajo Hoffmann, has already delivered a speech before the council of the town from which almost all inhabitants were expelled during 1945-46. Hoffmann said: "Germans and Poles must live together peacefully here." He publishes the NEUSTAEDTER HEIMATBRIEF (Neustadt Homeland Letter), one of dozens of "small expellee

newspapers." In it he repeatedly appealed to his compatriots who had to leave their homeland to support the present—Polish—citizens of the town, too. The worry about political borders is not on his mind; that chapter is closed. "Rather now there is the danger that the Upper Silesians are again subjected to an expulsion, an expulsion from German and European history," he stated.

Especially among the younger council members, Hoffmann, an honorary expellee functionary, found a receptive audience. For in the generation that was born in the now Polish localities, there is tremendous interest in the German past of the houses and streets in which they have grown up and live. The mayor of Prudnik gave a green light to a book on local history for the schools, which is to be prepared jointly by Germans and Poles. But Roszkowski was also fiercely attacked by Polish local politicians, even by fellow party members, for his "grovelling" before the Germans. Borsutzki, mayor of Glogowek, which is 20 km away, was exposed to similar criticism from his own ranks. For he had appointed a representative of the Confederation for the Independence of Poland [KPN] town clerk. On a voivodship level such cooperation would be impossible, since the nationally oriented KPN, after a successful struggle against the "Soviet occupying forces," now sees its main task in protecting the country from "German economic imperialism."

"After all we have been living together here already for four decades," Borsutzki and Roszkowski repeat in unison. In faraway Warsaw or in Bonn, small incidents are immediately viewed as fundamental conflicts. "Fools and obstinate people exist on both sides," the mayor of Prudnik notes. His German counterpart, who calls himself a loyal Polish citizen, concedes that some BdV functionaries have aroused hopes that cannot be achieved and apparently want to exploit the situation for their own political purposes—but really only a few. He says in this connection: "First of all the Upper Silesian is rooted in the soil and cannot easily be incited; secondly we are talking here about local politics, not about foreign policy." The list of the problems with which German and Polish town fathers have to struggle is long: no sewage plants; a deteriorated sewage system; obsolete, rundown hospitals; increasing unemployment.

Polish local politicians from Opole Voivodship do not hide the fact that they hope for advantages for the region through the close ties of the Germans with the FRG. Their common aim: to keep the young people here. Tens of thousands still want to leave; thousands of applications have been submitted to the German authorities. "The economic problems here do not entice people to stay," the Pole Roszkowski concedes. Especially those with good training leave the homeland, return only for a visit, also to help those who remained behind to achieve prosperity. The houses of the Germans are recognized no longer only by the well-tended front gardens, but also by the satellite dishes, facing westward, on the roofs, and the cars of Western make in front of the house. The Polish neighbors in most cases cannot keep pace.

False Helmut

"There is envy," a DFK activist from Glogowek says. But even with imported prosperity, no clear dividing lines can be drawn between Poles and ethnic Germans. Tens of thousands of Poles are said to have obtained the sought-after green federal passport, "real Germans" say again and again. Moreover, according to the statistics many Poles went to the West as spouses or as parents-in-law. Therefore many a member of the Friendship Circles suspects the "Helmut," as the "false Germans" are called here, are the majority among the emigres. Nobody knows exactly the origin of the designation "Helmut," perhaps from former Federal Chancellor Schmidt, who in the mid-seventies negotiated an agreement with the Polish Communists about the emigration of the Germans. Under this agreement roughly 1.5 million "real and false Germans" came to the West. But the problem did not disappear, as the German Friendship Circles that have mushroomed since early 1990 indicate. They number over 300,000 in the entire country. In Opole Voivodship every fifth person of the 1 million inhabitants calls himself a German. That probably includes quite a few "Helmut," as is assumed equally by Germans and Poles.

Meanwhile the Germans in Upper Silesia see themselves recognized as a minority by the government that has emerged from the Solidarity labor union. Even a few years ago hardly anyone would have dared dream of such an action. To many of them it seems quite clear that the demand for a dual citizenship is unrealistic at this time. But their representatives in the municipalities with a German majority want to see place and street signs in two languages, the same as in the South Tyrol, Northern Schleswig, or in the area of the Sorbs in Saxony. Above all, it rankles them that the Poles still conceal the expulsion and persecution of those who remained behind. Nothing is mentioned about that even in the new textbooks. They also have a bone to pick with the primate of Poland's Catholic Church, who had repeatedly stated that there was no longer any German minority in Poland, says Mayor Borsutzki. "Cardinal Glemp has not apologized for that to this day. But we have time, we can wait."

Opole Germans May Seek Parliamentary Seat

91EP0695B Frankfurt/Main FRANKFURTER ALLGEMEINE in German 3 Sep 91 p 6

[Article by Michael Ludwig: "They Pay Attention to a Delegate in Warsaw: German Minority in Silesia To Propose Several Candidates"]

[Text] Gogolin, 2 Sep—If it is possible to get as many as possible of the Germans in Poland eligible to vote to cast their ballots in the 27 October elections, the German minority will be able to establish itself in the country's political system. Hardly anyone here in Upper Silesia doubts that they will be successful.

In its first election manifesto, which was disseminated by the newspaper TRYBUNA OPOLSKA, the German ethnic group came out in favor of the peaceful living together of Poles and Germans in the country. The Polish Government is asked to do everything in its power so that all minorities—Germans, Ukrainians, White Russians, Lithuanians, Czechs, and Slovaks—can feel secure. In the manifesto it is further stated that Poland should rearrange its economic relations with the neighboring countries and the Warsaw government should consistently adhere to its declared goal of introducing an "open market economy" in the country. This is the prerequisite for Poland, in cooperation with the highly industrialized countries of Europe, to be able to strive to achieve their level of development.

One of the deputy chairmen of the Opole Association of the Germans expresses the political concerns of the minority a great deal more vividly in an interview with this newspaper. "We are again permitted to speak, sing, and pray in German. Warsaw probably has no more objections to German schools for our children either. But we have no money to finance them. We need quick economic recovery in Silesia so that the young people will stop leaving the country."

German investments should help achieve these aims. It is even hoped that a favorable development of the economy in Silesia will induce some of the emigres to return, especially the young people among them. With their knowledge acquired in Germany they could contribute a great deal to the economic welfare of the entire region.

But the minority also wants to do its part to improve the economy. After the elections its representatives in both chambers are to advocate that, as part of the planned administrative reforms, the voivodeships receive more powers, especially in economic matters. The urgently needed influx of foreign enterprises would be much easier than—as in the past—when the business contacts with foreign countries were solely controlled by Warsaw.

In this question there is even a degree of agreement with the political ideas of other groups which strive for the regionalization of Poland and the decentralization of the decisionmaking power—especially in the economy—but in the election campaign they will be competitors. One of them is the "Association of Upper Silesians." Prominent members of the association are the Katowice voivode and the chairman of the minority commission of the Polish parliament.

Is There Going To Be a Minorities Law?

In the conversation with the chairman of the National Election Committee of the German Minority in Poland, the hope of the Germans is also expressed finally to find a secure place in Poland's political order. In his opinion, this also includes the adoption of a minorities law, as the Mazowiecki government promised after the change in Poland. In the opinion of the minorities committee in the Warsaw parliament, such a law is not possible

because too many different problems would have to be settled in it; instead all important laws would have to include a minorities clause, he said. But that does not go down well in Silesia.

After the grim experience of the German minority in the past, there is an insistence on as extensive guaranties for the preservation of the rights of the ethnic groups as possible. In the opinion of leading representatives of the Germans, the protection of these rights can last only if it is granted by a special minorities law in conjunction with a constitutional guarantee.

The German minority not least also for this reason hopes for a good result in the elections, because it believes that it will then be able to obtain a better hearing for its political ideas: The political leadership in Warsaw will more likely take notice of a deputy or senator than of a master craftsman in faraway Silesia.

At least in Opole Voivodship the minority seems to be well prepared for the election campaign. The Germans live here in a compact settlement area. In the small town of Gogolin near Opole they have clearly made themselves heard with their demand for minority rights for their ethnic group. This initiative also provided the impetus which finally led to the formation of a well functioning organization in Opole Voivodship. Its most important members are the "Friendship Circles" in the municipalities with predominantly German populations. They are united in the "Social-Cultural Society of the German Minority in Opole Silesia." The executive board of the society has its headquarters in Gogolin—where everything began.

The Central Council of the Germans in Poland, too, has its headquarters in the capital of the voivodship, Opole. In its work it can count on the experience of the organization of the minority here, it also has personnel ties with the latter organization.

The German minority is participating in the fall elections with a list of its own in several election districts and with a national list. Above all in the Upper Silesian election district of Opole, in Czestochowa, and in two of the three Katowice election districts it hopes to achieve some direct mandates for the Sejm. If the result in the election districts comes up to expectations, then the Germans will also receive a certain number of centrally allotted deputy seats. Also, with respect to the elections to the senate—they take place simultaneously with the Sejm elections—the prospects of coming off with a respectable result are not bad.

The Germans could receive an unexpected boost in the elections, if, among Polish citizens living abroad who are eligible to vote, whose votes are recorded in Election District 1 (in the capital, Warsaw), a sufficient number were to vote for the "German Minority" list.

Deputy Defense Minister on Army at Turning Point

91EP0721B Gdansk TYGODNIK GDANSKI in Polish
No 32, 11 Aug 91 pp 1, 4

[Interview with Dr. Janusz Onyszkiewicz, deputy minister of national defense, by Adam Derewicz and Wieslawa Kwiatkowska; place and date not given: "An Army as Good as New"]

[Text] [TYGODNIK GDANSKI] An official report on the reform of the Armed Forces was promised for mid-summer. Therefore, we expect to hear something new from you.

[Onyszkiewicz] A lot has already been said about the work of the commission of which I was deputy chairman and a team, which I headed, preparing a draft of the reform in the Ministry of National Defense. I may add that the draft has been accepted in full by the National Security Council. Therefore, I already have a mandate for implementing reforms. Difficulties of a personnel nature stand in the way. It would be reasonable for a civilian minister to begin the implementation of the reform. This requires a change in the position of the head of the ministry which is a quite weighty decision. Therefore, it takes some time. So far, we have been studying where to locate individual offices, how many positions to assign to them, and how to accomplish the entire maneuver. However, the new ministry will not consist of absolutely new people because there is nowhere to get them from.

[TYGODNIK GDANSKI] Do "difficulties of a personnel nature" refer to the person of Admiral Kolodziejczyk and the question of which position he should be entrusted with?

[Onyszkiewicz] In principle, it has already been decided which responsibilities Admiral Kolodziejczyk will be given. The National Security Council has recommended him for the chief of staff. From the formal point of view, in keeping with the legal acts in effect and the constitution, such a candidate should be nominated by the Minister of National Defense and submitted to the president who makes the appointment.

[TYGODNIK GDANSKI] In other words, Minister Kolodziejczyk should nominate Admiral Kolodziejczyk as a candidate? Are there, perhaps, some other candidates?

[Onyszkiewicz] I have not heard about competing candidates. Formalities associated with the nomination of Admiral Kolodziejczyk as the chief of staff may be effected when a new minister of national defense is appointed. The difficulty is deciding who to entrust this significant ministry to for perhaps the quite short period of time between now and the resignation of the government, which occurs automatically at the time general elections.

[TYGODNIK GDANSKI] Therefore, a new minister of national defense will be appointed mainly in order to nominate Admiral Kolodziejczyk as a candidate, and three months later both of them will resign?

[Onyszkiewicz] There is no change in the position of chief of staff as a result of a change in the government. This is a permanent position with dual subordination: It depends both on the government and the president.

[TYGODNIK GDANSKI] So, why such haste? Our society will perceive this at filling a "not to be touched" position with a representative of the old ministry cadres. What guarantee do we have that Admiral Kolodziejczyk will not safeguard the old system?

[Onyszkiewicz] It is untrue that there is any military position which is untouchable. To be sure, the position of the chief of staff indeed has a strong constitutional grounding. Secondly, a professional, and therefore a high-ranking ministry officer should be chief of the Armed Forces. In the process, the Army should have a feeling of continuity. This has to do with the Armed Forces being able to operate on a continuous basis, regardless of political perturbations.

You are asking whether appointing Admiral Kolodziejczyk as chief of staff would facilitate the process of changes in the Armed Forces, and whether it would not disrupt this process. I believe that it will not because Admiral Kolodziejczyk has made many changes during his tenure. We should be aware that in 1990 almost 5,000 colonels and about 30 generals have left the Armed Forces....

[TYGODNIK GDANSKI] What was the basis for this?

[Onyszkiewicz] In essence, this was not a bad basis. In part, they resigned on their own, in part, this was done on the basis of professionalism, and the rest left in a natural manner. A tremendous generational change which is underway in the Armed Forces is resulting not only in more youthful cadres but it also making it possible for young officers to hold more significant positions, and this is significant.

[TYGODNIK GDANSKI] In a politicized army, the same which existed under the state of martial law....

[Onyszkiewicz] I disagree with this statement. This is already an entirely different army, despite the fact that the process of changes has not ended yet. I would say that it is at a turning point. This is a different army from the point of view of its mode of operation and of it being entirely under Polish control. This is an army with an entirely different philosophy of operation. Many cadre changes have been made, and they will continue to be made. However, this cannot be accomplished in a revolutionary manner. The Army must be an effective instrument at all times. To my mind, we should not resort to simplifications such as "anybody who held any position in the past period should leave." This criterion saying

that if somebody was in the Army in previous years he is unsuitable for a new army is a bad criterion.

[TYGODNIK GDANSKI] The absence of a personnel review causes people, who until recently were guided by ideological directives, to stand side by side in our new army with those who tried to somehow remain decent in the so-called People's Polish Armed Forces. This is unfair. Besides, people who subscribed to the only correct party line had a greater opportunity to advance, and officers from the rank of major and up were trained in Moscow. Is there a danger that the Armed Forces will actually maintain political continuity from the not so recent past?

[Onyszkiewicz] Who is supposed to administer such a vetting? This was done in Czechoslovakia, and accusations were leveled that the cohesion of the armed forces was disrupted, and that it was administered by people who did not have a right to do it. Similar accusations surfaced in our country after the verification in the militia. Meanwhile, the militia functions in contact with society in view of which external sources of opinion exist. This is not the case in the Army and it would have to review itself.

Besides, the party played a different role in the Army than in enterprises. In the Army, almost 100 percent of career servicemen belonged to the party in view of which it operated somewhat like a trade union. This was also a forum in which a lieutenant could confront a general. Indoctrination existed like everywhere else, but the degree of it is different. The removal of coercion showed how shallow it was.

There are fewer and fewer people in the Army who could be accused of something incriminating. You have to admit that a rapid process of change is underway, given that within one year people have changed in more or less 200 general billets, and that changes are being made in all of the key positions in the military.

[TYGODNIK GDANSKI] The Army will be really new when it is represented by a new type of officer—a new officer rather than "a converted sinner." What about changes in military education? Has anything changed at all?

[Onyszkiewicz] There is a problem in this area. We have wanted, and still want to employ outside civilians in military academies. Continuous efforts have been made to this end. Several civilian specialists already work at the Academy of National Defense. However, I would not say that it is easy to find such lecturers. Personally, I share your desire to have future young officers listen in their schools to lectures of the standard, and based the philosophy and general policy, which we would like to have. Does something bad happen there from time to time as a relapse, by virtue of inertia...

[TYGODNIK GDANSKI] What about intelligence and counter-intelligence? Are they also under complete Polish control? We are interested in whether changes in

the line of operation have occurred in these two elements which are irrevocably linked with personnel changes?

[Onyszkiewicz] Structural changes have occurred. Counterintelligence has been removed from the disbanded WSW [Internal Military Service] and transferred to Directorate II. Personnel changes have been made, for example, a number of changes in the positions of military attaches abroad. These changes are not sufficient; we may continue them when, in keeping with the plan, Directorate II is removed from under the General Staff and subordinated directly to the minister of national defense.

[TYGODNIK GDANSKI] Do the changes consist of castling for now?

[Onyszkiewicz] I do not think so because, after all, a tremendous number of people have left. Cutbacks have been tremendous, especially in counterintelligence. It is hard to say whether they have been the most fortunate, as these services naturally operate in a secret manner.

[TYGODNIK GDANSKI] Changing 75 percent of the top cadres in the Army is a lot, but let us compare these 200 positions with 2,500 positions for educational officers who, instead of party functions, urge the people to, for example, go to mass. It is their very presence that compromises the Army.

[Onyszkiewicz] I do not remember the specific number of "old timers" still employed in the educational element. After all, this is the jurisdiction of Deputy Minister Komorowski. Indeed, there are still very many of them. In part, they are a burden from the past. Obviously, we would like not to have such positions in the Armed Forces at all, and to have the commanders perform educational functions. However, the commanders themselves say that at this point they are not in a position to handle educational tasks. They have never had such responsibilities, they have no pertinent experience or training. In the future, we hope to eliminate the functions of educational officers. The greatest change at present is in the fact that these officers do not have any command power. They used to be deputy commanders for political affairs and held power as the deputies of their superiors.

[TYGODNIK GDANSKI] The vetting of the militia resulted in a certain sense of stability. The number of those wishing to work in the police is increasing. In turn, the Army is tormented by the feeling of uncertainty; there is even talk of its decay....

[Onyszkiewicz] This uncertainty is of a purely professional nature associated with apprehensions about their future, frequently with nonpolitical matters. For example, the retirement benefits law is such a matter. It is exacerbated by financial difficulties and a pronounced decline in the financial and material status. There is a feeling that the Army is slowly beginning to "screech to a halt" due to the absence of funds for maintaining its operations—there is no money for training and for the

acquisition of equipment. Meanwhile, a soldier who is not being trained is not worth a lot. In total, this impairs one's satisfaction with the work performed; there is a lack of what is called "job satisfaction." [rendered in English in the original] The situation may soon become alarming. The Army is consuming reserves that it should have at its disposal....

[TYGODNIK GDANSKI] In the beginning of our discussion, you stated that an overwhelming majority of the personnel of the Ministry of National Defense will remain in their positions. Given this, what does the reform of the ministry itself mean, and what does it amount to?

[Onyszkiewicz] Until now, there has actually been no Ministry of National Defense as such. So far, we have had, and still have a minister with the departments of personnel, finance, and so on attached to him. There were also so-called headquarters offices (Directorate of Combat Training, the Main Inspectorate of Materiel, the Office of the Quartermaster General, and so on). The minister did not manage but rather commanded the ministry. He issued orders rather than instructions because strictly military structures reported to him.

The structure which will be introduced represents an entirely new concept: a minister with his own cabinet and three civilian deputy ministers with a number of departments reporting to them. Conversion to a civilian nature will not amount to only civilians working in the ministry, which is ruled out, but rather to people in uniform performing civilian functions. In turn, the Armed Forces will be entirely separate from this. The chief of staff will be detached from government functions, and his position will not even be an item on the government pay scales. The entire Armed Forces will report to him; in turn, he will report exclusively to the minister of national defense and, of course, the president of the state. The chief of staff will engage in commanding, whereas the ministry will engage in planning a defense policy and developing concepts. It will also engage in the issues of culture, social policy, contacts with the parliament, financing, and centralized supplies for the Armed Forces. The ministry will serve the Armed Forces while engaging in planning the long-range development of the Armed Forces and strategic and political planning.

[TYGODNIK GDANSKI] What are our Polish Armed Forces supposed to be?

[Onyszkiewicz] We simply cannot afford a professional army. However, we would like to more or less attain the degree of professionalization which is found in the German, French, or Dutch armies—between 50 and 60 percent of career servicemen, instead of about 30 percent in our country at present.

It was also determined in the studies of our commission what this Army must be from the structural point of view. I believe that the division of the entire Armed Forces into several groups is a very important element.

These will consist of rapid response forces—light and highly maneuverable units capable of instant deployment; there will be line troops outfitted with heavy equipment and all kinds of military materiel, and finally regional defense troops established in their own regions, outfitted with rather light materiel and, in essence, called up only if some threat appears.

[TYGODNIK GDANSKI] What about changing the doctrine?

[Onyszkiewicz] It is not our intention to join NATO, to say nothing of recreating the Warsaw Pact in any form. We believe that Poland may exist without alliances but on the basis of a political arrangement which replaces military security guarantees with other guarantees. We would like to create a network of such economic and political ties in various areas of cooperation which would make the threat of a conflict on a larger scale in our part of Europe as small as in the West. This is not by any means to say that we should not have a credible military force. Quite the opposite, a Poland situated between the Soviet Union and Germany cannot be a defense void.

Three Major Aviation Products Profiled

*91EP0721A Gdansk TYGODNIK GDANSKI in Polish
No 33, 18 Aug 91 p 8*

[Article by Tomasz Zajac: "Our Secret Air Force Weapons"]

[Text] In the morning, the silvery fuselage of the prototype of a Polish jet aircraft was rolled out of the hangar. Nobody expected the vehicle to fall into pieces later on that day before the eyes of the assembled guests. The crash of the PZL I 22 prototype put a stop to further development work.

When the prohibited topics got out of the bag, it turned out that one of the topics—the status of the armament of our Armed Forces—should give rise to concern. Actually, we have nothing to impress the people with apart from four-cornered caps. We have old tanks, electronic equipment dating 20 years back, and an air force which is slim in terms of numbers and is based on using Soviet materiel. Actually, Poland's own Air Force has always been a matter of ambition for Polish military men. The tradition of our pilots from the times of the Battle of England, their cavalry spirit, and a purely rational belief in the combat value of this armed service made the Air Force a showcase for our Armed Forces.

The myth about the might of our Air Force, which has been cultivated even by serious historians, is strong. They say that before the war, the numerical weakness of Polish wings contrasted with the technical standard of domestic designs such as, for example, the famous Los. Therefore, had Hitler struck half a year later our plants would have.... It is harmful and erroneous to propagate this view. Actually, we awaited large deliveries of imported planes from England and France. After the war, the problem disappeared because the Soviet Union

armed us entirely for close to 50 years. These were frequently so-called phone deliveries which consisted of a Soviet partner making us an offer we could not refuse over the telephone, an offer which was immediately accepted. There was no dearth of suicidal decisions made without the participation of the "big brother" either. Taking over a certain number of the huge Mi-6 helicopters from the collapsing Instal company was such an absurd measure. We now have the largest transport helicopters in Europe, one of which is parked at an airfield and is used as a source of spare parts.

However, a Polish aircraft industry existed and continues to exist; its timid attempts to enter the armaments market of its own country are becoming apparent. Are Polish designers in a position to sustain our armed forces with good aircraft after 40 years of fraternal cooperation? Perhaps, despite everything, they have succeeded in developing interesting designs, just as the Czechs, who make millions of dollars selling planes to Third World countries, have done?

The Iskra, the Iryda, and the Izaura

For a long time now, we have had a small trainer of our own. The TS-11 Iskra designed by Tadeusz Soltyk has been in service for 30 years now. An Iskra was precisely what accompanied two modern fighter planes on their exhibition flights at a demonstration organized for Deputy Minister of National Defense Janusz Onyszkiewicz. Was this a desperate cry for help addressed to the minister? Actually, we have had a need for a new training and combat aircraft since the end of the 1970's—an aircraft which could become, for example, a full-fledged fighter after the armament was quickly attached. Journalists usually extol our aircraft products. This was also the case with the Iskra. However, it is a fact that it was beaten by the Czechoslovak Albatros in a competition announced at one time among the states of the Warsaw Pact. The Czechs proved yet again that they have no hangups in this field. We were left with an obsolete plane and the alternatives of either modernizing it or buying the Albatros.

A third way out was opted for, and in 1981 design work on a new training and combat plane got underway. Funds were shaken loose which have remained the stuff of legends to this day, and the heretofore quiet Mielec began hopping. When the results of this work were demonstrated for the first time enthusiasm was rather subdued. People who had little to do with aviation found that the silhouette of the I 22 plane was no more interesting than those of already existing designs, and they said that if a plane looks well it also flies well. The hope remained that the characteristics of the I 22 would place it among the leaders in its class of aircraft, making it an exportable product and a lifesaver for our Air Force. Unfortunately, a barrier was encountered which our industry had never been able to surmount in its entire post-war history: There was no appropriate engine for the I 22 with adequate power and a decent fuel

consumption rate. Czechoslovak offers were not interesting, not to mention Soviet offers. For their part, the Americans did not want to sell engines, despite accepting Urban's sleeping bags from us at the time.

However, this did not dampen creative enthusiasm, and the undeserved splendor of presenting the PZL I 22 Iryda with new Polish engines eclipsed even the good propeller planes that we succeeded in designing and equipping with a Canadian powerplant (the PZL 130 Orlik is at issue). The increasingly bold praise which, unfortunately, was not bolstered by specific data (we know it—military secrets) was suddenly brought to an end by an accident of the prototype at a demonstration organized for the top military brass. A test pilot died, and generals departed with mixed feelings. For several years, silence enveloped the Iryda.

Recently, the I 22 project (the spiteful ones call the plane Izaura [a Brazilian soap opera popular in Poland, a never-ending story]) came back to life, and new prototypes soared toward the sky. The designers from Mielec drew their conclusions from the tragic events, and the plane was improved. However, another question remains: There are quite a few aircraft of this class in the world. In addition to Czechoslovakia, they are produced by, among others, a faraway Argentina and India. It is not really apparent why we should join this group too. I do not want to belittle our domestic industry, but are we not by any chance designing yet another Polish VCR in this manner?

The Unsuccessful Sokol

An affair that broke out two months ago, on account of the Sokol, did little for the good name of this helicopter or its creators from the Swidnik plant. The press (including TYGODNIK GDANSKI) wrote a lot about a conflict between Swidnik and the Ministry of National Defense (which had purchased helicopters in the United States, ignoring the Polish offer in the process). As soon as the storm broke out regarding this affair, the Ministry of Defense went mum and, rather than defend its unassailable decision, called off, among other things, a press conference and a demonstration of the new American vehicle. Despite prior announcements, a TV report about this conflict was not aired.

The fact that someone will make a lot of money delivering helicopters to the Armed Forces is concealed behind this clash which only appears to be a clash of ambitions. Pilots are really itching to get American flying tanks of the Super Cobra type, whereas the WSK [Transportation Equipment Plant] Swidnik offers them an armed variant of the Sokol.

This helicopter, developed in pain, finally saw the light of day 15 years later. Engineer Stanislaw Kaminski, chief designer of the Sokol, stated that these years "were not won as much as they were used." He admits that in 1972 he went to the USSR where it was proposed that he develop a design of the helicopter offered together with USSR engineers. In the course of work, the concept of

the aircraft changed greatly, but the influence of Soviet technical concepts persisted. The engines of the Sokol are borrowed from Soviet planes.

Swidnik also developed a combat version of the helicopter. Very briefly: This is the same helicopter that the Ministry of Defense spurned, but with Soviet armament suspended with various pipes and reinforcements. The entire design gives one the impression that it was feverishly adapted—that it is like a Polonez car with the equipment of a Zaporozhets. The maximum speed of this helicopter comes to 235 kilometers per hour, or approximately 70 kilometers less than the speed of its Western analogs. A French helicopter can hover at an altitude of 3,000 meters, whereas the Sokol can do this only at 2,000 meters. Economic characteristics are also a factor; it is known that Soviet engines set records as far as fuel consumption is concerned. Officers to whom this project has been presented say openly that the armed Sokol does not impress them. However, they want their views to remain anonymous.

In a certain regiment, a certain number of the Sokols is in trial operation. Both mechanics and pilots have problems with them though this is not discussed officially. The Polish helicopter with its poor dynamics and Soviet rockets is only slightly superior to the Mi-2's, which have been used for 30 years. This entire concept appears to be unsuccessful.

The Scorpion: Small, Unnoticeable, and Dangerous

Scorpion is a name which conveys quite appropriately the concept of a new idea for a combat plane of Polish design: small and unnoticeable, but dangerous. Due to its small size, it is supposed to be imperceptible for radar antennas. Atypical design of the "duck" arrangement—wings in the back of the fuselage and a stabilizer in front—is supposed to ensure maneuverability. Two turboprop pushing engines, rather than pulling engines used in classical designs, have been selected in order to ensure adequate excess power, which means a large payload of armament and good dynamics. The Scorpion will not be too fast; it will work its way to its targets at subsonic speeds right above the ground. The aircraft in its entirety makes a good impression despite its atypical appearance: It is a low-capacity combat plane for a not-too-rich army and that is adapted to the modern battlefield. The most important point is that it will be relatively cheap, that is, will be affordable to us.

It is a pity that design work, which should actually be coming to an end, is merely picking up steam due to the lack of funds. The amounts that designers from Mielec

mention appear to be within reach of the more prosperous businessmen. However, nobody will provide this money from his own pocket after all. It is strange that the issue of money is so essential in view of the fact that the same enterprise in Mielec could at one point afford to design an extremely costly, and perhaps the most fantastic plane, which resembled a jet crop duster. (This was a dual-fuselage agricultural biplane with jet propulsion, the wing span of which came close to that of passenger planes! Actually, there would be no reason to recall this design, which is an embarrassment to us if it were not for the plans of using the monster for military purposes. Luckily, all of this ended in producing a large of number of agricultural planes for the Russians who "grounded" them because this made more sense than to operate them.)

Rivalry between the An-28 plane produced under a Soviet license and the Mewa built under a license from the American company Piper was a curious episode of the misadventures of our armed forces with aircraft. It is known who won because the issue came up five years ago. However, the reasons for the defeat of the Mewa are more interesting. This was not due to "prikazy" ["orders"; rendered in Russian in the original] of hard-line generals from Moscow but rather to the lack of adequately advanced engines because we stubbornly wanted to build them ourselves, despite offers from Americans.

Myths About Might

At a recent meeting between Prime Minister Bielecki and representatives of the Ministry of National Defense, it was said that the ministry should not count on getting funds until the budget gets on its feet enough to service military expenditures (normally, they should not exceed five percent). However, we may argue about the soundness of the distribution of the funds available. Employees of the Ministry of Internal Affairs, who keep having difficulties making ends meet, maintain that their computers fly in the air in the form of the Bell helicopter. Recently, we bought a dozen or so of the latest MiG-29's from the Russians. However, half of them are parked in the hangar as a reserve of spare parts. The Sokol has been in the design stage for 15 years, and finally it has turned out that this helicopter does not meet the requirements of the Air Force. At present, we produce four types of executive planes. Meanwhile, we still use 40-year-old (!) An-2 biplanes.

In summation, let us have a flight of fantasy. Obviously, this is a utopian concept worthy of Forsyth, but if our neighbor Czecho-Slovakia launched an attack on us this would presumably be a Blitzkrieg unless "our secret Air Force weapons" exist somewhere....

Debate on Slovene Intelligence Service

92BA0004B Ljubljana DELO in Slovene 14 Sep 91 p 3

[Article by Miran Lesjak: "One Secret Service Should Be Enough for Little Slovenia"—first paragraph is DELO introduction]

[Text] The Assembly commission for overseeing the work of the State Security Service is opposing plans to establish several different secret services in Slovenia

Ljubljana, 13 Sep—Today, the Assembly commission for overseeing the legality of the work of the State Security Service discussed and adopted a report from its working group, which in the spring was checking on whether that secret service was following the law in monitoring telephones. In addition to that report, however, the commission also discussed the number of Slovene secret services and the need for a uniform concept in this area.

In April 1991, the working group reviewed the work of a randomly chosen monitoring center at the selected PTT [postal, telephone, and telegraph] center in Ljubljana, but at the same time the members of the working group at the Internal Affairs Ministry also checked the existing documentation on the monitoring at that PTT headquarters. The report on this Assembly "raid" did not come onto the commission's agenda until today, because there was not a quorum of the commission's members at the last two meetings.

The commission determined that the secret service was working in accordance with the legal regulations. The members of its group noted that at the PTT headquarters selected, there were 10 connections for monitoring "three different subjects." Some vagueness and difficulties only appeared with respect to those cases of secret monitoring that were carried out just before the adoption of the new law on internal affairs at the beginning of June 1991. Since the chairman of the Assembly commission and the reporter on this matter, Peter Bekes, later explained to journalists that this part of his report was considered confidential, we can only write that the working group also solved these difficulties through instructions to the Internal Affairs Ministry that are in accordance with the positive legal provisions.

All of the other issues that were discussed today by the members of the commission arose precisely from a proposal to change the decree on the establishment, tasks, and composition of the commission, and the regulations on its work. The fundamental reason for the need to change these documents, in fact, is that in the meantime the law on internal affairs has been changed. According to that law, the former SDV [State Security Service] has been renamed the Security-Information Service [VIS]. The proposed changes to both documents, therefore, are aimed at making corresponding changes in the name of the Assembly commission and some of its powers.

VIS chief Milan Brejc, however, warned the members of the commission that the proposed changes did not just involve a procedural issue, but also the issue of which secret services exist in Slovenia and to whom in the Assembly they are responsible for their work. In his opinion, it would not be enough if SDV were changed to VIS in the decree and the regulations; instead, the Assembly commission should oversee the work of all Slovene secret services.

There are now two such services in Slovenia, the VIS and the Defense Ministry's Security Administration. Brejc also said that a secret service was also being established under the Slovene Foreign Ministry. He thought that oversight over all three secret services had to be conducted by one Assembly commission. He also added that the services that the Assembly was not overseeing had full authority, but the VIS's authority was limited. Miha Brejc also warned that intelligence activity in Slovenia was also being conducted by others, in addition to the state services. Whereas other services and similar private agencies did not have to adhere to certain regulations, and could supply themselves with the most diverse monitoring equipment across the border, all of this was prohibited for the VIS.

The Assembly commission left the question of whether a competitive struggle was developing among the Slovene secret services completely up in the air.

For that reason, the members of the commission supported Brejc's doubts, and expressed surprise over the fact that three secret services could soon be operating in Slovenia.

Peter Bekes recalled in this regard that Interior Minister Igor Bavcar, at the beginning of his term, presented the commission with basic positions according to which there should be one relatively autonomous secret service in Slovenia that would be responsible to the highest state authorities. He noted that in contrast to that, today we are encountering the concept of decentralized secret services. The chairman of the Slovene Presidency's council for protection of the constitutional order, Dusan Plut, also stated that the concept of one service was still in effect, and expressed his personal belief that Slovenia was too small to have several secret services. He announced that his council would soon discuss the new situation.

Under "miscellaneous," commission member Jozef Smole proposed that the VIS also send its reports to the most important Assembly commissions. Miha Brejc thought that this would not be good, since in that way the circle of their users would be considerably expanded, which could jeopardize the safety of the VIS's sources. We also learned that the VIS is sending these reports to the highest state officials.

The members of the commission expressed recognition of the VIS and the Defense Ministry's Security Administration for their successful completion some time ago of a penetration of two of the monitoring centers of the

Yugoslav Army's security service. In this regard, Brejc felt that the two services were cooperating well, and added that the Slovene service would not be helped a great deal by the material obtained by penetrating the two centers. In fact, the military security service has such extensive technology for intelligence activity that it collects all sorts of useless information. He also confirmed that the Yugoslav Army's security service had been monitoring the system of special telephone lines in Slovenia that ran through Belgrade. In Slovenia, however, the special lines were isolated from this system in time.

[Box, p 3]

We also inquired about what was going on at the Defense and Foreign Ministries. The former thinks that its service is operating in accordance with article 82 of the Law on Defense and Protection, and that the necessary oversight over its work is already being carried out by the Assembly commission for defense. The Foreign Ministry claims that it does not have its own intelligence service, and that it does not intend to establish one. It does have an analytical service which gathers its information from documents available to the Foreign Ministry and other public documents. On the other hand, Ivo Vajgl, that Ministry's press representative, in response to an explicit question about whether they would really establish their own in-house secret service, answered: "I do not know anything about that."

[Box, p 3]

Miha Brejc also used today's meeting of the commission to comment on the rumors that the Yugoslav Army will soon attack Slovenia. He said that certainly it is difficult to predict events in advance, but neither his service nor the secret service of the Defense Ministry has any facts that would indicate such intentions on the part of the Army. He also said that the Croatian secret service does not have any such information either.

Report on Slovene Trade Union Protest Meeting

*91BA1164B Belgrade BORBA in Serbo-Croatian
11 Sep 91 p 9*

[Article by S. Sicarov: "The Poor Are Killing Democracy"]

[Text] Ljubljana—With a symbolic beginning at precisely 1155 hours, yesterday a protest meeting organized by the Federation of Free Trade Unions, the most powerful organization in Slovenia with about 450,000 worker-members, was held on Liberation Square in Ljubljana; workers, pensioners, and the unemployed presented their main demand that the package of ownership laws not be adopted today in the republic Assembly. According to Andrej Cimerman, president of Ljubljana trade unions, who opened the meeting, this

was a "form of pressure on the government and Parliament to accept the trade unions as partners," because up to now they have not honored the demands of the trade unions.

The meeting was attended by several thousand—between 4,000 and 5,000 by journalists' estimates, while the organizers say that there were some 10,000 people—and they were mainly trade union representatives, because workers in enterprises were not allowed to leave work. They expressed their dissatisfaction on some 50 banners with such messages as these: "This is the theft of the century," "We demand our past labor," "We are not being persecuted by the sword, but by the DEMOS government," "Beef for the authorities and leaves for the workers—forget it," "800,000 workers and 500,000 pensioners—don't play around with us," "Servants—no, thank you," "The workers are not giving up their factories," and by chanting "We want a referendum" and with frenetic applause in support of the demands of the trade union leaders that no confidence be voted in the DEMOS government.

The meeting was also attended by representatives of a majority of Slovenia's opposition parties, a delegation of the SDP [Social Democratic Party] headed by its president, Dr. Ciril Ribicic, the socialist Jozef Smole, and Dr. Rastko Mocnik, president of the Social Democratic Union. The first loud applause went to Cimerman when he said that "our leading politicians are declaring that we are a democratic state, by contrast with all the former states of real socialism, but if that were the case, we would not be here today."

Several representatives of various industrial trade unions, the food industry, the metal industry, and the textile industry presented their harsh criticisms of the government and the three laws—on transformation of enterprise ownership, on denationalization, and on cooperatives—whereby the DEMOS political team wants to take away from the workers more than 51 percent of the property which they have created over the decades, to appoint its own directors, and to lay off the workers. They went on to say that the government has been stealing and that 600 workers would be put out on the street after adoption of the laws, and 13,000 peasants would be living in extreme poverty and there would be 100,000 "hungry mouths" in rural areas.

According to Dusan Semolic, the purpose of the ownership legislation must not be to divide up the present socialized property created by the workers, but to create new property, this time through the economic, not political, interests of certain groups. He also added that the greatest danger to democracy did not lie in weapons or ideas, but in poverty.

The meeting ended with an emotional speech by Secretary Rajko Lesjak, who also read the demand of the trade unions sent to the Assembly just in advance of today's session: that the bills be sent back to the drafting stage and that the decision on them be made in a referendum

of citizens of Slovenia, that the government immediately draft a law on self-management which, in a package with the ownership laws, would make it possible for the workers to continue to manage their property, and that the government can restore the eroded confidence only with a new economic policy and by preserving jobs. If the demands fall on "deaf ears," the workers will intensify their methods of trade union struggle and elect their own workers' parliament.

Because those who gathered were particularly angry that the deputies will decide today in the name of a small group of people, when the meeting was over, they went off to the building of the republic Assembly and protested there. At the same time, a delegation of trade unionists sent their demands to Dr. Vitodrag Pukle, vice president of the Assembly.

Details on Radio-TV Montenegro Personnel Suspensions

*91BA1164C Belgrade BORBA in Serbo-Croatian
11 Sep 91 p 9*

[Article by D. Vukovic: "A Purge According to a Belgrade Recipe"]

[Text] There was speculation about purges in the government media like Radio-TV Montenegro and POBJEDA immediately after the elections and inauguration of the new-old government in the republic. This was talked about particularly after removal of Cedomir Ljesevic and Danilo Burzan, director and editor in chief of Radio Montenegro. At POBJEDA, they accommodated their "unfit" journalists in the kind of "special editorial staff" where they have little chance of earning their salary. As matters now stand in Radio-TV Montenegro, it appears they have decided to completely get rid of "politically unfit" journalists.

The decisions to discharge from Radio-TV and to institute disciplinary proceedings against Danilo Burzan, Miodrag Vukmanovic, Rajko Cerovic, Ljubomir Djurkovic, Esad Kocan, and Branko Vojicic were preceded by their being pushed aside from their work. Danilo Burzan, for example, after he was removed from the post of managing editor and editor in chief of the radio, went 200 days without a ruling on a new job assignment. Ljubomir Djurkovic, an editor in the art and culture department of TV, has gone two months without receiving any work assignments.

Yesterday, we wrote about how neither six suspended editors and journalists, nor a majority of others employed at Radio-TV Montenegro even knew that the regulation on disciplinary accountability and financial liability of employees of Radio-TV Montenegro had been adopted; it was the basis on which steps were taken against them. Miodrag Vukmanovic, a commentator in the Belgrade bureau of Montenegrin radio, told us yesterday that he had learned he was suspended from BORBA. And he confirmed to us that he did not know that the regulation had been adopted, nor what its

provisions were, nor that he was not allowed to work with other media without the knowledge of the director of Radio-TV Montenegro, which was the basis for his suspension and that of all the other journalists.

Branimir Bojanic, director of Radio-TV Montenegro, justified himself to us yesterday by saying that he does not have information that a sizable number of people from Radio-TV Montenegro have been working with other editorial offices or enterprises, so that for now the only ones affected are those whose names appear in the credits of "Monitor." He told us that the same attitude will be taken toward all others. He also confirmed to us that not a single person employed in Radio-TV Montenegro has his consent (necessary under the regulation) to work with other media.

No one has even requested that consent except for the suspended Danilo Burzan, who a few days ago, when he read the regulation on disciplinary accountability and financial liability requested written consent. The next move is up to the disciplinary commission, which is to mete out the penalties. It is assumed that the final decision may be discharge.

So far, the only reaction to the measures taken against the six editors and journalists of Radio-TV Montenegro is that of the Association of Professional Montenegrin Journalists, to which the suspended journalists belong. The public statement of this association protests in the harshest terms the measures taken by the director of Radio-TV Montenegro.

"In our opinion, this is a classic example of settling accounts with those who think differently, so typical of a repressive and totalitarian society," that statement says. The Association of Professional Montenegrin Journalists takes note that "ideological norms and moral and political fitness, features of the previous one-party system, seem to have been a mild precursor to the terror of the non-Bolshevik and totalitarian forces." The statement mentions at the end that "the recent purges of personnel at Radio-TV Belgrade seem to have provided the recipe which, like so many other things, is being uncritically 'imported' into Montenegro." Miodrag Marovic, a retired journalist who is president of the League of Reformers of the Montenegrin Coast, joined the protest of the Association of Professional Montenegrin Journalists yesterday in a press conference held by the league.

In addition to the motive of getting rid of certain unsuitable journalists, one of the motives for punishing the cooperation of the six journalists and editors on the weekly "Monitor" might have been to undermine "Monitor," which operates exclusively on the basis of outside collaboration.

Army Withdrawal From Slovenia Delayed

92BA0004A Ljubljana DELO in Slovene 14 Sep 91 p 3

[Article by Slava Partlic and DELO correspondents: "Slovenia Is Waiting Impatiently for the Army To Say Goodbye to It"—first paragraph is DELO introduction]

[Text] Today there are still about 3,500 members of the JA [Yugoslav Army] in Slovenia; 80 percent of the equipment has already been transferred; facilities are no longer being destroyed; complications because of the war in Croatia.

Ljubljana, 13 Sep—The generals' promises that the Army will withdraw before the deadline set by the Federal Presidency's decision (and since the decision was adopted on 18 July, the deadline would expire on 18 October), by the beginning of September or at the latest by mid-September, remain unfulfilled. At this time the Army still has about 3,500 of its members in Slovenia; it has already moved about 80 percent of its material resources out of Slovenia. The transfer is being complicated just now because of the war in Croatia.

At the beginning of this week, railroad transports were halted; about 600 railcars, some of them already loaded with equipment, are waiting on the tracks in Slovenia. The Army has as many more railcars on order to transport its equipment. There are also difficulties with road transportation, and so the Army is now using road routes through Bela Krajina for the transfer.

When Will the Army Leave?

Miran Bogataj, deputy defense minister and chairman of the Slovene commission for negotiations with the JA, also cannot predict exactly when the Army will say goodbye to Slovenia. He only says that Slovenia wants this to happen as soon as possible, and that the Army will never come back. According to Bogataj, the 13th Corps has already more or less been transferred out of Slovenia, but there are several complications with the 14th and 31st Corps. So far the Army has turned over to Slovene TO [Territorial Defense] the following vacated facilities: all the border guardhouses (102), nine barracks, 13 depots, four buildings, three firing ranges, and two farms. It has not yet turned over any apartments. Negotiations are under way right now on the possible purchase of the JA's movable property in Rimske Toplice, which would make it possible for that facility to continue to be used for the same purpose. They are also negotiating on the purchase of equipment at several other facilities. Unfortunately, they do not include military hospitals. The Army's position that they are to be transferred together with their equipment has remained unyielding.

At this time, Bogataj says, there are also intensive negotiations under way on a mutual return of equipment and weapons, and the takeover of the remaining facilities. Slovene TO has received from the Army only part of its equipment that was confiscated a full year ago—all of it in Murska Sobota, and part of it in Primorska and Logatec. The turnover is taking place right now in Gorenjska, and elsewhere negotiations are still going on.

Miran Bogataj adds that they have also at least temporarily settled the issue of personnel covered by military health insurance in Slovenia. Health services for them will be financed by the VP [army command] in Zagreb,

i.e., the command of the Fifth Military Region, and soon Slovene health care representatives are to conclude an agreement with the military health insurance fund on financing health care for personnel covered by military health insurance in Slovenia.

The Yugoslav Army has already moved out of Pomurje and Koroska, and it was not even in Zasavje previously, but the residents of other Slovene regions are still waiting for the last member of the JA to leave their areas.

Today, representatives of the TO headquarters for eastern Stajerska took over four more facilities from the JA—the tower of a radio monitoring center, Kagar Lodge at Pohorje, and two farms. Next week the rest of the JA barracks and buildings are to be taken over. The last one will be the Franc Rozman Stane barracks.

Facilities in Celje Turned Over on Monday

On Monday, members of the TO and JA will negotiate again on the method and time for turning over the two largest military facilities in the Celje opstina: the barracks on the Maribor road, and the Beograd storage depot.

In the Ilirska Bistrica area, the TO has not yet taken over the barracks in Ilirska Bistrica and Trnovo, the ammunition depot in Vrbovo, and the JA [Yugoslav People's Army] building in Ilirska Bistrica, the ammunition depots in Rakek and Strmica, and the JA barracks and buildings in Postojna and Pivka.

There is no longer a single JA soldier in the Kocevje opstina. The ones who were at the farm in Rajhenau have left together with their livestock. They only left silage, perhaps as payment, since during the war workers at the Kocevje agricultural combine fed the JA's livestock because they felt sorry for the animals and the soldiers had fled.

The Ribnika opstina, however, is still "hosting" 15-20 JA soldiers, who are at the fuel depot in Ornek. They will remain there until all the fuel is taken away, which is not simple, however. In fact, it is taken to Koper, and transferred to a ship, which takes it to Bar, where it is transferred into tanks that are then taken to Titovo Uzice.

The Crnomelj barracks still has one Army officer, but no longer any soldiers. That man is guarding the barracks himself.

In Mokronog, at the fuel depots there, there are still about 20 JA soldiers who are keeping guard, and in Trebnje there is a small group of JA soldiers for turning over facilities.

The Army is already mostly out of the Novo Mesto opstina. About 20 JA soldiers are still guarding a storage depot in Cesca Vas that contains the weapons that the JA confiscated from the Novo Mesto TO last year, and there are still about 20 soldiers in the Novo Mesto garrison. There is also a JA group there for turning over facilities.

The Cerkle airport and the facilities there are just now being taken over by the Slovene TO, and the takeover should be completed by Monday, 16 September.

In the Gorenjsko area there are still JA soldiers remaining only in the barracks in Bohinjska Bela and Kranj. The barracks in Rudno Polje, Skofja Loka, and Suha are already empty. The Army, however, has not yet turned over to the Slovene TO the hotel Svoboda in Bledu. Thus, at this time there are still somewhat more than 230 soldiers from the mountain brigade in the Gorenjsko area—150 in Kranj and 80 in Bohinjska Bela. The JA also still has a guard at the explosive mine storage depot at Drulovka.

Army Is No Longer Destroying Facilities

In Ljubljana the JA has so far turned over to the TO the Franc Rozman-Stane military school and facilities on Oljska Mountain near Nadgorica. The Marshal Tito and Ljubo Sercer barracks are also to be turned over to it soon, whereas the military hospitals in Ljubljana are still not ready to be turned over.

In the Vrhnička opština, the Army has turned over to the Slovene TO the storage depot in Borovnica and facilities on Ljubljanski Vrh and in Strmica; today it is to turn over a JA building and a building for single soldiers in Vrhnička.

As we were told by Miran Barboric, the assistant for rear services at the Ljubljana regional TO headquarters, at first—before the transfers—the Army deliberately caused damage at facilities, but recently it has no longer been doing this. The facilities that are now being taken over by the TO are in good condition. He also said that in the Ljubljana region there are no longer any large combat units, just units for guarding and maintaining facilities.

[Box, p 3]

Empty Boris Kidric Barracks in Sentvid

The guard tower at the Boris Kidric barracks in Sentvid is already standing alone, although there are still several soldiers and officers waiting in the barracks for the transfer, and we also noticed several armored vehicles. Local residents say that they do not want any kind of Army at that location anymore, and consequently we can expect the return of nationalized property to its former owners. This applies primarily to the Ljubljana archbishop's office, since the St. Stanislav Institution was at this location before the war (the so-called Bishop's Institutions), and to some local farmers whose land was nationalized when the barracks in Sentvid were expanded.

Value of JNA Arms Moved From Slovenia, Croatia

91BA1141A Zagreb DANAS in Serbo-Croatian 3 Sep 91 pp 18-19

[Article by Srdjan Spanovic: "They Are Carting Away Billions of Dollars"]

[Text] If the Army had to pay highway tolls in Croatia, the enterprise "Croatian Highways" would manage to some extent to make up for the money lost because of the tourist season, which has been destroyed, and because of the reduction of every other kind of traffic caused by wartime military operations. For more than a month now, 20-km-long truck convoys have been traveling the highways every day, moving Federal Army units from Slovenia, moving practically everything that is not nailed down in the garrisons and military bases. Nor is the crowding any lighter on the railroads. People in the Army say that this is only the execution of the SFRY Presidency's order to move out of Slovenia the 14th Ljubljana and 31st Maribor Corps following the defeat in the "operetta war" at the beginning of the summer. However, it is hard to believe that this is just an ordinary restationing of units and of everything moveable that they had on their inventory.

According to General Major Milan Aksentijevic, more than seven tons of weapons, ammunition, and other military equipment, more than 7 million liters of fuel, 1,000 tons of food...have been moved out of Slovenia during the month-long operation which began on 1 August. All the expensive medical equipment and everything movable has been moved from the Ljubljana Military Hospital and the rehabilitation center in Rimske Toplice. The airplanes and equipment moved from the Cerkle Air Base and part of the equipment used by the Air Force and disassembled at the Ljubljana "Brnik" Airport can be measured in thousands of tons. According to Colonel Stanislav Inkert, commanding officer of the transportation service of the 5th Army District, this is the largest transport operation in Yugoslavia since the war, and they are satisfied with its organization, progress, and results. By 28 August, the railroads of Slovenia and Croatia had carried 49 military trains and a sizable number of cars included in regular freight trains, while the highways had carried more than 1,000 overloaded trucks, which have clocked more than 1 million km. In addition to military trucks, heavy trucks have also been used from trucking enterprises in Slovenia, Bosnia-Hercegovina, and Serbia. Asked why trucks from trucking enterprises in Croatia were not rented, Col. Inkert announced that they either did not respond to the offer or they responded that their facilities were employed, and those that made a bid were considerably more expensive than the rest.

For a Strike Against Croatia

Representatives of the Federal Army say that the transport of military equipment through Croatia has mainly occurred without major problems. There has been a

negligible number of traffic accidents, and only one person has died, a civilian, who was passing a convoy near Mokrice and collided with another vehicle because he had judged the distance poorly. They say that there have been provocations, but these have always been isolated incidents. So far the only serious incident was made public on the night between Friday and Saturday by Gen. Aksentijevic in a conversation with a news-woman from Croatian television. He mentioned an attack on a military train carrying equipment. Contradictory versions concerning the possible attackers had emerged even by morning. The assertions cover the range from attackers who were Serbian extremists and terrorists who wanted to obtain arms in this way, creating the impression that the attack was carried out by Croatian armed forces, to the position that the military train was attacked by the MUP [Ministry of Internal Affairs] and the Guards to obtain the weapons they so badly need for defense. We have learned unofficially that the government of the Republic of Croatia is to form a commission to investigate all the circumstances under which the attack occurred and to determine who was responsible.

No one knows the ultimate quantities of weapons, equipment, and everything else being carried out of Slovenia and across Croatia at this moment. However, according to certain estimates, the total value of everything available for the Army's use on Slovenian soil was worth more than \$15 billion. Estimates of the value of military equipment in Yugoslavia, in view of the lack of official data, are made in various ways. According to certain foreign sources, the value of all property, movable and immovable, entrusted to the use of the Army ranges between \$80 and \$100 billion. There are also methodological reasons why the differences in the estimates are large. For instance, they differ on whether or not they include the value of machinery of the special-purpose military production industry, whose exports in recent years have brought Yugoslavia between \$2 and \$3 billion a year.

The equipment in Slovenia was mostly the most up-to-date equipment, located to such an extent in that region because of the position in the defense conception and doctrine that the country's greatest danger threatened from the West, which was only partially moderated after the intervention of the states of the Warsaw Pact in Czechoslovakia in 1968. Recently, there have been those who said that this deployment of the Army and its up-to-date equipment also resulted from distrust of Slovenia and Croatia. This is the rationale given for the radical change in the organization of the Army at the end of the 1980's, when the Zagreb and Ljubljana Military Districts were merged into the unified 5th Military District, and the Belgrade and Sarajevo Military Districts were reorganized as the unified 1st Military District. The actual boundaries of the 1st Military District are close to the boundaries of the imagined expanded Serbia, and most of the military equipment being carted out of Slovenia is being placed precisely on that territory.

"The final destinations of units being moved out of Slovenia are in Bosnia and Serbia. These are the garrisons in Doboj, Banja Luka, Zenica, Valjevo, Gornji Milanovac, Cacak, and Sabac," Col. Inkert says.

It is clear that with the exception of garrisons in central Serbia, the equipment deployed in Bosnia-Herzegovina, Vojvodina, and western Serbia could be used for a first strike against Croatia as well as to amputate its territory. The best indicators of this lie in the way some of the Army units have been employed up to now, primarily from corps which come under the jurisdiction of the 1st Military District. The Knin Corps is also an important military formation; it is part of the Naval District, but it consists of mechanized armor units. However, it is supposed that this corps could become (or already is) an important unit within the 1st Military District because Gen. Aleksandar Spirkovski, the present commander of the 1st Military District, was the commander of the Knin Corps. The area where the Knin Corps is located coincides with a portion of the territory which would be taken up by expanded Serbia or truncated Yugoslavia, and the impression is that the present commander of the corps, Gen. Spiro Nikovic, has already become completely independent of the Naval District in his activities and statements.

Naval Blockade

There is more and more talk in public about the movements of units and equipment in Croatia, whose territory, if we omit the Air Force, is crisscrossed by the jurisdictions of three military districts—the 5th, the Naval, and the 1st. In last week's press conference, Generals Andrija Raseta and Milan Aksentijevic denied that equipment was being carried away from the "Zmaj" Military Repair Plant near Zagreb, the Zagreb Military Hospital, and the "Pleso" Airport.

Col. Branimir Pavcnik, assistant commander of the 5th Corps of the Air Force, says that there has been no disassembly of military equipment at the "Pleso" Airport at all. It is just that elite special military police were there as security for military flight control.

According to sources from the Military Hospital in Zagreb, a rather small amount of medical equipment has been taken away, but, it was said, this was older equipment that had been used in the old military hospital which the Army completely moved out of a few years ago. However, it is an interesting datum that last week several medical teams from the Zagreb Military Hospital were moved to Belgrade by helicopter in the early morning hours. We can assume that this was a reinforcement of military medical teams because of the war in Slavonia.

Sources at the "Zmaj" Military Repair Plant say that their operation is normal, but most of the personnel have refused to service airplanes of the Yugoslav Army because of their role in the war against Croatia. Services are offered to the helicopters being used by the Croatian MUP and aircraft of foreign armies, under state treaties.

It was not possible to verify information on equipment that might have been taken away.

Because every movement and ultimate destination of Army convoys in Croatia must be reported to MUP authorities, and frequently is under their constant observation, the government of the Republic of Croatia probably has more precise figures on the possible movement of military equipment and units, but for the present this information is not accessible to the public.

However, the movement and marginalization of the naval forces of the Naval District within Croatia is striking. Numerous naval units are sailing to Kotor Bay and Vis. The movement of vessels and equipment to Kotor Bay can be explained in terms of the removal of military equipment from Croatia and a strengthening of surveillance of the area of the Gates of Otranto, and the control of Vis also has great importance. In this way, watch is kept on a sizable portion of the open sea, so that maritime routes to Croatian ports can be monitored and possibly blocked. This opens up the possibility of a naval blockade of Croatia, which present Croatian naval forces would be unable to resist.

The landing on Solta, which the Army has justified in terms of a theft of weapons, which the Croatian side has denied, has been left unexplained. According to unconfirmed information, the reason for the landing on Solta was a communications center important to both belligerents should there be a broad-scale conflict in the Adriatic Naval Theater. It is in that light and not only as a consequence of the media war that we should view the capturing of the transmitters and repeaters of Croatian TV in the region under the control of the Army and the terrorists or the setting up of mobile military transmitters and the occupation by armed civilians of the transmitters of Radio-TV Sarajevo on Kozara.

Air Force units have also been almost entirely moved out of Croatia, which indicates that a sizable portion of military equipment is nevertheless being taken away, because it is difficult to believe that the top military leadership, should a peace treaty be concluded whereby Croatia leaves Yugoslavia or maintains some sort of ties, will consent to restoration of military equipment to Slovenia and Croatia worth tens of billions of dollars. This is a problem which the Croatian Supreme Command must be mindful of even now, not only as a military and defense problem, but even as an economic problem. As far as Slovenia is concerned, they have obviously consented to this as the price of their own independence and self-sufficiency.

Hard-Currency Savings Plundered for Arms Purchase

91BA1142B Zagreb DANAS in Serbo-Croatian 5 Sep 91
p 29

[Article by Ivo Jakovljevic: "One Hundred Dinars for 1 German Mark"]

[Text] How much is a German mark [DM] actually worth in Yugoslavia today? Officially, for almost half a year now it has been 13 dinars, but for a long time now there has been nowhere where you could buy a mark for 13 dinars (nor any other foreign currency at the corresponding rate). That is the rate at which the foreign debt is being repaid, it is the rate used on the blocked foreign exchange savings of individuals in banks (worth about \$8 billion), but at that rate individuals can only sell to the banks the foreign currency which they have there (because, assuming the almost 70-percent loss of the value of the principal, this is the only way left to keep something back from the state). So, everything the Yugoslav state owes abroad or to the domestic population is measured in that bankrupting rate of 13 dinars per mark.

All other foreign exchange transactions, however, seem to have been let off the leash, which itself has fallen apart. Thus, until recently all commercial banks in Yugoslavia introduced new exchange rates for the mark from 22 to 24 dinars on what is called new foreign exchange savings (that is, for those few new foreign exchange accounts in which individuals place their savings after 25 April of this year). They took as a reference rate the prices in trading in foreign exchange rights of exporters on the Ljubljana Exchange, where last week such rights denominated in marks sold at a 65-percent premium over the 13 dinars which is still the official rate. On the Ljubljana Exchange, a mark has been selling at 21.50 dinars, but individuals could not buy at that rate, nor was that the rate for cash in a foreign currency, but, as we have mentioned, this rate was the foreign exchange right (surplus foreign exchange, revenues from exports after the needs of the government have been met) of Slovene exporters.

The true, market rate, then, would have to be sought somewhere on the foreign exchange market where a certain few private banks are still openly operating. But because of their limited number (in Ljubljana, Zagreb, and Belgrade) their rates are not pure and balanced either, but are boosted by a kind of monopoly rent. Thus, last week in one Zagreb private bank, the Promdei Bank, which is selling foreign exchange to individuals, the German currency was sold at 34 dinars (and the U.S. dollar, for example, for 59 dinars), which corresponds to a premium of 160 percent over the official rate (13 dinars)! But if the share of monopoly rent can be found in that leadership in the price field, at this point it probably is no greater than 3-4 dinars per mark, but that is enough to provide fairly good earnings in this increasingly risky business.

Trieste and the Promdei Exchange

To illustrate the expensiveness of foreign currencies in domestic private banking, we will mention that abroad, although in an ever smaller number of banks and exchange offices or department stores, mainly in Italy and Austria, the corresponding premium on the still official exchange rate of the mark of 13 dinars is about

130 percent. The other day in Trieste, for example, 1,000 dinars would buy only 25 lira.

That is why the answer to the question of how much one has to pay for a mark can be found at the moment on the classic black market. Because this is a relatively broad market with diverse supply and demand, that market best simulates the exchange rate that would probably be formed on the official foreign exchange market if by some chance it should operate. On the black market from Ljubljana to Zagreb, Rijeka, Split, Osijek, and Belgrade or Pristina, a German mark ranges between 25 and 30 dinars, which corresponds to a premium ranging between 100 and 125 percent.

What kind of foreign exchange system did Yugoslavia have when it entered this war in which the aggression against Croatia is right now approaching its destructive culmination? History is witness that all wars have fundamentally altered the system of exchange rates in the belligerent countries and especially on the soil of the country where the war took place.

As a rule, the system of fixed rates (for example, the gold standard in 1914) has been abandoned in wartime and a system of a floating rate established. A transition of that kind has not (yet) been accomplished in Yugoslavia, because no side in this war has officially declared a state of war. The FEC [Federal Executive Council] is responsible for selecting the system of exchange rates, and the FEC and the National Bank of Yugoslavia are responsible for conducting exchange rate policy. By insisting on an exchange rate of 13 dinars for a German mark and by officially retaining the system of the fixed rate (which was introduced 18 December 1989), the FEC is indirectly acknowledging that it no longer has power, but is still hoping (presumably for something better).

In the meantime, life itself, mixed with the horrors of war, has already taken its toll. The system of the fixed rate fell back in April, but the regulated system of the floating rate was not established. Thus, in actuality there are multiple exchange rates, although that type of mixed foreign exchange system has not been officially established, nor has everything been left to the black market either. What we have, then, is foreign exchange chaos, and over the long run the consequences could be disastrous.

Because so-called "old" foreign exchange savings are frozen in banks, for all practical purposes Yugoslav individuals have been deceived and robbed of about \$8 billion (41 percent from individuals in Serbia, 23 percent from individuals in Croatia, 16 percent from individuals in Slovenia, and 13 percent from individuals in Bosnia-Hercegovina). And then exporters have been deceived (which is why exports are in a deep crisis), so that at the expense of all, the foreign debt which had come due (mainly debts of the Federation) could still be repaid promptly for a time, and less expensive energy, and allegedly even arms, could be imported. Arms merchants, incidentally, are so far the only winners in the

aggression against Croatia, because it can be estimated that during this year alone citizens from Yugoslavia have set aside from their foreign exchange savings nearly \$1 billion (500,000 persons x DM2,000) to purchase weapons (pistols, rifles, automatic weapons, and ammunition!).

The chaotic system of exchange rates, then, is constantly worsening the situation in the country's balance of payments, and, along with the increasingly abundant printing of money for everyday life and the war, is directly leading to an ever higher exchange rate for foreign currencies. If at the moment the "true" exchange rate of the mark is 30 dinars, then under these assumptions and trends over the next 100 days, the price of the German currency could more than triple by New Year's (if there is a new year). So, in January 1992 the mark on the territory of present-day Yugoslavia could cost an even 100 dinars! So the conclusion might be drawn that investment in foreign currencies (following the dirty business with weapons) is today the best business or only way in which individuals can somehow save the property they possess from the destructive forces of war and waste.

Economic Damage of War in Croatia Assessed

91BA1142A Zagreb VJESNIK in Serbo-Croatian
8 Sep 91 p 9

[Article by Vesna Antonic: "Damage in the Amount of \$6.5 Billion"]

[Text] The total damage in the Republic of Croatia that has occurred because of the devastation of war, the failure of the tourist season, and the theft of Croatian property in Serbia has reached the value of \$6.5 billion. That is—according to the figures of the republic Bureau of Statistics and the National Bank of Croatia—the property damage from the devastation of war in this period has been \$1 billion. The value of stolen and frozen property in Serbia of enterprises from the Republic of Croatia and the damage caused by the activity of the terrorists and the Army is \$500,000, while the lost profit from tourism amounts to \$5 billion.

The Wheat Is Still Standing in the Field

According to the first estimates of the Croatian Economic Chamber, the ruined tourist season will record a deficit of about \$4 billion in Yugoslavia and about \$3.3 billion in Croatia. According to predictions, we can expect an inflow of only \$1 billion of foreign exchange this year, which is between 18 and 22 percent of what it was last year. In the first six months of this year, an inflow of \$301 million was recorded, but in June tourist traffic was down all of 83 percent from last year.

In Slavonia and Baranja, 10,670 hectares of wheat will go unharvested because of the state of war, which means a loss of 64,000 tons of wheat worth about 242 million dinars. Wheat has remained in the fields in the region of Osijek (Dalj, Borovo Selo, Klisa, and Tenja) and in the

region of Vinkovci (Sidski Banovci, Sopot, Jankovci, and Henrikovci) and "Vupik" of Vukovar. There have also been large losses in animal husbandry, especially at the "Osijek" Industrial Agricultural Combine. That combine, which has its own facilities and fields in the opstinas of Osijek, Nasice, Donji Miholjac, Podravsko Slatina, and all over the country, has so far suffered a loss of more than 1 billion dinars. There are 4,100 hectares planted in various crops around Dalj, Aljmas, and Erdut. And then there are also 530 hectares of vineyards, a wine cellar, four livestock farms, a chain of outlets, and machinery and workshops.

Seed production (1,700 hectares) and the production of 5,800 fattened swine are also threatened in the crisis area. Lovas, Marinovci, Lipovaca, and Prkos are four occupied farms of this combine whose destruction has resulted in a loss greater than 153 million dinars. The sugar and candy factory in Osijek has also suffered heavy losses, because about 2,000 hectares of sugar beets are in the vicinity of Vukovar and Dalj, and it will be extremely difficult to get deliveries from there. Inventories amount to about 1,000 cars of sugar which it will not be possible to sell before the beginning of the harvest. In the vicinity of Klisa, that mill has been left without loaders, and in the Drnis area they have lost trucks and 18 tons of sugar.

According to the data gathered so far, over the entire area of Osijek Opstina the total damage amounts to more than 210,436 million dinars, while total costs in transportation and communications (not including damage to roads) are greater than 84 million dinars.

Half Capacity

In Banija, it is industry that has been hurt most seriously. For example, the Sisak Steel Mill is operating at only half capacity. Because of the blockade of rail and highway traffic, difficulties are arising in the delivery and shipment of goods and also raw materials and finished products. The Sisak Steel Mill had planned to earn about \$98 million with its exports, but in the first six months it managed to earn only some \$40 million. Although the necessary quantities of petroleum have been secured for refining in August, production faces very great difficulties at the Sisak Refinery.

"Gavrilovic" of Petrinja is also operating at 50-percent capacity, and 20 percent of the raw materials contracted for are not arriving from the crisis areas. Every day about 20 percent of the workers do not come to work. Roadblocks and armed conflicts impede delivery to foreign trading partners, so that even now it is clear that "Gavrilovic" will have a hard time recovering from the losses it has incurred. Production in the area of Kostajnica, Glina, and Dvor has completely died, because not a single enterprise is operating. It is estimated that in the

region of Banija the total amount of raw materials and energy from both domestic and foreign sources does not represent even 40 percent of what it was last year. About 80 percent of the area on private farms has been harvested, but in the socialized sector it is only 20 percent. The Croatian Economic Chamber has been informed by the Sisak Regional Chamber that in the village Rosulje and in the agricultural cooperatives Dubica and Glina production of 6,600 head of baby beef worth 150 million dinars is in jeopardy, and it has also become more difficult to collect and buy milk in the Glina area.

Nor have the difficulties bypassed the Zadar region. For example, a large quantity of "Maraska" products have been frozen in Novi Sad. "Bagat" has problems purchasing production supplies and meeting the payroll. The Zadar Airport has higher costs, primarily because of the additional "Lloyd's" passenger insurance and also because of Army control of the runways.

The Marketing of Products Has Been Frustrated

The conditions for conducting business and carrying on production are deteriorating by the day in the Karlovac region. Thus, the socialized enterprise "Autotransport" has discontinued bus routes through the crisis-torn opstinas, and the terrorists have taken 10 buses and three trucks from them. The "Karlovac Milk Industry" is seeing less and less milk come in and is marketing less of its products. The "Karlovac" farming organization has about 32 million dinars invested in livestock being fattened by cooperators which it will not be able to get back. The Karlovac Brewery has not been marketing its products to 50 percent of its previous market. The Topus Medical Rehabilitation Center has not been operating for more than a month, and in the opstinas of Vrginmost and Vojnic production and trade have stopped altogether.

Up to 20 August, losses in Dalmatian agriculture are estimated at more than 1 billion dinars. The "Neretva" Agricultural and Industrial Combine has direct losses of 8.8 million dinars and indirect losses of 14.3 million. The reason: it has been unable to market its fruit, vegetables, and beverages on the Serbian market, where this combine in Opuzen ordinarily marketed about 70 percent of its output. "Sibenka" has so far lost 25 million dinars in its own production operation. Because it has been unable to export fruit (marasquino cherries, strawberries, and raspberries), "Dalmakomerc" of Split has suffered a loss of 15 million dinars, and "Salonacoop" of Split 9.5 million. The Split Dairy has losses of 520,000 dinars, and because it was unable to load and unload grain from two ships, "Prerada" has suffered a loss of 8.5 million dinars, while the loss so far in the brewery ranges about 10 million dinars because of reduced production.

There are no figures on the situation in the Zagreb economy.

Increased 'Mafia-Type' Crimes in Belgrade

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[Article by Uros Komdenovic: "A Second Front"]

[Text] Slavonia, Baranja, and Krajina are not the only places where people are being killed. Recently, Belgrade seems to have "been opening a second front": In 1990, 28 homicides were recorded, but in just the first seven months of this year 40 were recorded, mainly with firearms. Both motives and methods are changing. The traditional Balkan ax is giving way to the Magnum and Uzi and sometimes such a common motivation as jealousy becomes a rarity (only one such case). A spectacular gun fight (the "Triton"), bursts fired from a car (on Vozdovac), and even the explosion of bombs (the arcade on Konjarnik) are becoming a part of our everyday life. Is Belgrade really "becoming like Chicago," as a worried people's deputy, otherwise a well-known advocate of "peaceful" methods of human communication (a rusty spoon and the like), has said in the Assembly?

"Belgrade is still a relatively peaceful city," says Ilija Mitrovic, assistant chief of the Crime Control Administration of the Belgrade SUP [Secretariat for Internal Affairs]. "The use of violence displayed recently has to do with accounts being settled between criminals and also juvenile delinquents, who, quite commonly under the influence of drugs, use this as a way of proving or trying to gain personal prestige. For that matter, we must not forget that Belgrade is a city with a population of over a million and many transients, an economic and political center in which even before now 60 percent of the crimes in Serbia were committed. The reasons for the increased frequency of serious crime (murders, robbery, theft) lie in the general social situation, the increased number of foreigners from East Europe, as well as the increasingly widespread phenomenon of weapons. There is no form of organized crime in Belgrade, so the citizens can be calm."

Typical Mafia Style

It is a fact, however, that things which never occurred earlier are happening more and more often. The most typical institution is the protection racket—groups "protect" private business establishments (usually little restaurants or gambling dens), for appropriate compensation, of course. This is known in slang as "paying the racket." Methods of pressure on those private businessmen who do not consent to arrangements of this kind are varied: a fight will be staged in which things get broken, frequent shootings, fires, and even explosions. Milan Popovic, professor of social pathology, considers these methods typically Mafia-style.

"This phenomenon seems increasingly widespread. To be sure, I do not believe that there is a strong organization like the one in the film 'The Godfather,' but I think that there are quite a few groups who make money 'collecting for the racket.' It is no 'spider web' covering

all of Belgrade, but an aggregate of individual occurrences. But if the chaos we live in gets worse, the creation of a serious crime organization is not precluded."

This does not, of course, cover all the reasons for the escalation of violence. Zivojin Alekovic, professor of criminology in the Law School of Belgrade University, points to the increasingly widespread phenomenon of the smuggling of arms, drugs, and foreign currencies.

"Showdowns between smugglers are always violent, and in an international smuggling ring the penalty for not abiding by the internal rules is death. Another phenomenon, one which, to be sure, is not easy to prove, is the 'laundering of money,' which is indispensable because of the strict rules of foreign banks (one must prove the origin of the money when amounts larger than \$10,000 are deposited). This is the scenario for the 'laundering of money': A commercial establishment is opened, after a certain time it is sold, and a certificate of the origin of the money is obtained in this way. Money is also laundered through usury, but it involves forcible collections, which also presuppose paid 'services.' As far as organized crime is concerned, there is none for the present, but it might possibly emerge only among the Albanians, because of their patriarchal ties to one another. Others, because they have a different mentality, can set up this kind of organization only briefly."

A State of Anomie

What most worries both the police and the citizenry are the armed juveniles who resort to their "toys" without much hesitation. Professor Popovic feels that the emergence of juvenile gangs is a direct consequence of the family's disintegration.

"Young people today are maturing faster both mentally and physically, but they come up against a 'social moratorium,' i.e., the impossibility of entering the adult world. It is easy in such a situation to veer off into delinquency and crime. Nor should we forget the events of the war in the country. The favorable value placed on violence, or at least the excessively tolerant attitude toward it, creates fertile soil for processes of identification. Bullying, 'macho' behavior is in a way a direct consequence of war hysteria. Because the entire society is in a state of anomie (the existing moral standards are no longer valid, and new ones have not been created), a way out is sought through a return to old values. Nationalism in its extreme form can easily become a source of criminal behavior."

In earlier years, political crime was a relatively unknown phenomenon in Belgrade. There have been no assassinations since the murder of Stjepan Radic, if we omit the assassination of the Turkish ambassador, which was committed by Kurd terrorists. The murder of Branislav "Beli" Matic, the second man in the Serbian Guard, although it still has not been clarified, indicates possible political motives. The police are denying them, and, as Ilija Mitrovic puts it, is "working normally to clear up this and indeed several other unsolved murders." It

would be logical for the SUP to be considerably prompter in this case, because the lads in the Serbian Guard, judging by all appearances, will not have much patience, and the consequences of possible street conflicts between the armies of political parties (the JNA [Yugoslav People's Army] is no longer the only such formation) could have untold consequences.

When a wave of violence sweeps over a city, then it is logical to hold the police responsible. How capable is the Belgrade SUP of guaranteeing peace in the capital? Professor Aleksic finds the reasons for the reduced effectiveness of law enforcement agencies in the fact that the police are substantially employed outside Belgrade (Kosovo?) and that there has been a change of generations (the old police personnel have retired).

"It is a big problem that it is getting harder and harder to employ informers among criminals. And without them it is not possible to penetrate the 'underground.' More and more often, unfortunately, crime is occurring among the police (a phenomenon encountered in other countries as well), which makes the situation that much more difficult."

Unmotivated Police

One of the Belgrade "tough guys," whose skill in handling firearms evokes awe in "certain circles," in addition to observing that "the existence of organized crime would have constructive effects, because in this case the hierarchy would be respected and there would no longer be the settlement of accounts between smaller gangs, in which completely innocent people quite often suffer," fiercely criticizes the police.

"They are poorly paid, unmotivated, and they lack courage. There are cases when they watch calmly as

accounts are settled, without intervening. We still have a political police, not a professional police. It would not be bad if they took their lead from foreign police forces: they are effective and harsh, but civilized and educated. A policeman in Belgrade ought to have grown up here, he must know how the city breathes."

Ilija Mitrovic agrees that his department is poorly paid, but he says that money has never been a decisive motivation for doing this job.

"This is a job for people who love it and are caught up in it. Our personnel are trained, they show a high degree of responsibility, and they strictly respect the law. Cooperation with the public is effective because people realize that in helping us, they are also helping themselves. We believe that there will be less and less violence, because we expect a stabilization of the overall political situation."

It is fine to be an optimist, but the general impression is that something ought to change in the ranks of the SUP. Professor Aleksic presents his view:

"I think that the solution should be sought in bringing police training up to date, and ethics and respect for human rights ought to have a more important place in it."

Yet it is difficult to expect that criminals will show understanding and terminate their "activities" until the police reform. In the meantime, all the public can do is to avoid the "Nana," the "Delfin," the "Triton," the "Korto Malteze," and similar places and also terminate all possible activities in opposition parties. Incidentally, Branimir "Dzoni" Stulic long ago gave warning in his poem:

"Look out for the shark, keep an eye on people. These are uncertain times. Miki, stay at home."

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ATTN: PROCESS 103
5285 PORT ROYAL RD
SPRINGFIELD, VA

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